STATE LIBRARY OF PENNSYLVANIA
3 0144 00647583 4

MINUTES OF MEETINGS OF THE STATE SUBSIDIES COMMISSION

PY
S372/8
.14/7
1927-
1928

PY S372r, 1927-28

DEPARTMENT
—OF—
INSTRUCTION
HARRISBURG
PENNSYLVANIA

PENNSYLVANIA STATE LIBRARY
DOCUMENTS SECTION

AUG 1 1960

P38.7
4.23m
1927-1928

PENNSYLVANIA STATE LIBRARY

PY S372/8.14/7 1927-1928

MINUTES OF MEETINGS

OF THE

STATE SUBSIDIES COMMISSION

JAMES N. RULE
Secretary of Commission

Act No. 397 - May 4, 1927

A commission is hereby created for the purpose of studying the distribution of State subsidies to school districts and making a report thereon embodying the commission's recommendations. The commission shall consist of three members of the Senate to be appointed by the President Pro Tempore of the Senate, three members of the House of Representatives to be appointed by the Speaker of the House, three citizens of this Commonwealth to be appointed by the Governor, and the Superintendent of Public Instruction, ex officio, who shall serve as chairman thereof.

The said commission shall make a report to the Governor on or before the first day of November, one thousand nine hundred and twenty-eight, which report shall embody the result of the commission's study and its recommendation, if any, for further action by the General Assembly.

The commission shall have the power to elect such officers, in addition to the chairman, as it shall deem advisable. Such investigators, experts, assistants, employes, and expenses, as may be necessary to enable the commission properly to perform its work, shall be provided by the Department of Public Instruction.

All members of the commission shall serve without pay, but shall be reimbursed for their necessary traveling expenses.

The sum of ten thousand dollars, or so much thereof as may be necessary, is hereby appropriated to the commission for its necessary expenses. Payments from this appropriation shall be made upon requisition of the Superintendent of Public Instruction calling upon the Auditor General to issue his warrant upon the State Treasurer.

STATE SUBSIDIES COMMISSION

Chairman Ex Officio
Superintendent of Public Instruction
John A. H. Keith

Appointed by the Governor:
Simon H. Sell, Bedford
A. B. Jobson, Oil City
Archibald F. Jones, Coudersport

Appointed by the Senate:
Senator W. D. Mansfield, McKeesport
Senator James E. Norton, Reading
Senator Warren R. Roberts, Bethlehem

Appointed by the House:
Mrs. Lillie H. Pitts, Philadelphia
Honorable Harry E. Himes, Kittanning
Honorable Elwood J. Turner, Chester

Secretary
Deputy Superintendent of Public Instruction
James N. Rule

Digitized by the Internet Archive
in 2016 with funding from
This project is made possible by a grant from the Institute of Museum and Library Services as administered by the Pennsylvania Department of Education through the Office of Commonwealth Libraries

https://archive.org/details/minutesofmeeting00penn_1

Minutes of a Meeting of the Legislative Commission
Authorized by Act 397, 1927 to Study the Distribution of State
Subsidies to School Districts

The members of the Commission are:

1. Chairman Ex Officio
   Superintendent of Public Instruction
   John A. H. Keith

2. Appointed by the Governor
   Simon H. Sell, Bedford (P)
   A. B. Jobson, Oil City (P)
   Archibald F. Jones, Coudersport (P)

3. Appointed by the President Pro Tempore of the Senate
   Senator W. D. Mansfield, McKeesport
   Senator James E. Norton, Reading (P)
   Senator Warren R. Roberts, Bethlehem (P)

4. Appointed by the Speaker of the House
   Representative Lillie H. Pitts, Philadelphia
   Representative Harry E. Himes, Kittanning (P)
   Representative Elwood J. Turner, Chester

The first meeting of the Commission was held September 4, 1927 in the office of the Superintendent of Public Instruction, Harrisburg. Superintendent Keith called the meeting to order at 10 A. M. Present: Members after whose name (P) is shown above. The following items were considered and discussed:

1. Dr. Keith gave a brief historical sketch of the various methods which have been used in Pennsylvania for the distribution of State subsidies to public schools, stressing the importance of true valuation in any scheme of State subsidy.

2. The selection of personnel to carry on the investigation of the Commission was considered briefly. The name of Mr. Van Pelt, now employed in the Department of Internal Affairs and formerly with the Tax Commission, was suggested by Mr. Jones. Mr. Van Pelt's services with the Tax Commission, Mr. Jones stated, had been highly satisfactory. It was thought also that the National Industrial Conference Board might be able to suggest experts whose experience would be helpful.

3. Dr. Keith outlined briefly the things to be taken up at the next meeting:

(1) A. history of the distribution of State subsidies in Pennsylvania will be prepared by the Department.

(2) An analysis of the working of the existing law as a social process will be prepared by the Department.

(3) A compilation of the experience of other states in the distribution of subsidies to schools will likewise be prepared by the Department.

(4) Dr. Keith suggested that Dr. Paul D. Mort of Teachers College,New York be invited to meet with the Commission at its next meeting to give the members the benefit of his studies, particularly in New York State, in the field of the distribution of school subsidies. It was felt that Dr. Mort's extensive studies and experience could be profitably capitalized for the benefit of the Commission.

4. Copies of studies made by the Department for several counties of the relation to school subsidies of rates of assessment and true valuation were submitted to the Commission for review for the next meeting.

5. Dr. Keith outlined a possible ideal plan for the distribution of school subsidies. The aim of such a plan would be to provide equally good schools everywhere. A uniform quota would be established per teacher; as for example, $1200 for each elementary teacher. This quota would be divided into two parts, local and State. The local share would be raised through a fixed millage levied on the true valuation of the district. The State's share would be the balance necessary to complete the quota. For example, if the true valuation of a given district were $34,000 per teacher, a ten mill tax would make the local share $340. The State's share would be the difference between $1200 and $340 Or $860. Theoretically, districts in which the fixed millage would raise over $1200 per teacher would receive nothing.

Such a plan would probably have to be modified by setting a maximum and minimum amount to be received from the State, so that all would get something. Such a plan conceives of a State Subsidy not as a gratuity, but as aid from the State to enable a district to maintain good schools.

The Commission took a recess to meet in the office of Governor Fisher.

The Governor received the Commission and discussed broadly the purpose for which the Commission had been created and appointed.

The Commission adjourned at 12:15 to meet October 28, 1927 at 9:30 A.M.

James N. Rule
Secretary, Pro Tempore

John A. H. Keith
Chairman

Minutes of a Meeting of the Legislative Commission
Authorized by Act 397, 1927 to Study the Distribution of State
Subsidies to School Districts

October 28, 1927

I. Attendance

1. Commission:

a. Present	b. Absent
Dr. Keith, Chairman	Mr. Jobson
Mr. Sell	Senator Mansfield
Mr. Jones	Mr. Turner
Senator Norton	
Senator Roberts	
Mrs. Pitts	
Mr. Himes	

a. Department of Public Instruction:
Mr. Rule, Secretary
Mr. Crosley
Mr. Gayman

II. Mr. Gayman presented a history of the distribution of State subsidies for public education in Pennsylvania. Mimeographed copies were distributed, setting this history forth in outline. This outline Mr. Gayman orally elaborated somewhat in detail. This fuller statement will be sent out later to members of the Commission.

III. Mr. Crosley presented a statement of the operation of the present law (Edmonds Act). This statement was distributed in mimeographed form and elaborated in detail in response to questions.

IV. Dr. Keith distributed to each member of the Commission copies of a bulletin issued by the Pennsylvania Department of Agriculture on "Some Phases of Taxation in Pennsylvania."

V. Dr. Paul Mort of Teachers College, Columbia University, presented a statement of plans recently adopted and now current in various states for distribution of State subsidies to schools:

1. New York State has in recent years made a series of careful studies of the needs of its public schools and the relative responsibility of the State and of school districts for their financing. Four of these studies have been published and a fifth is now in press, all issued since 1923. Chief advance in this field has been in the arithmetical computation which gives to each district an amount approximately in inverse ratio to its ability to finance a minimum standard educational program.

2. The purpose of any State plan for the distribution of appropriations to school districts is two-fold:

a. To guarantee a minimum standard educational program for every girl and boy, and

b. To secure the equitable distribution of the load of financing the public schools.

3. In general there are two possible plans for financing public education:

a. For the State to pay all the cost, or

b. For the State to carry only a portion of the load, the local districts carrying whatever share local resources permit.

Under the plan, by which the State and the school districts share the burden of financing the minimum eudcational program, the State should carry not less than twenty-five percent of the load. Just how the load shall be distributed between the State and the individual local district is a matter of arithmetical computation.

4. The first step is to formulate a minimum standard program and then devise a plan for distributing equitably the cost of maintaining this minimum educational program.

5. Two fundamental principles should be kept in mind in formulating a State plan for distribution of State subsidies:

a. The State has the right to mandate a minimum program. This right has been established by legislation in every State in the Union. When the burden of carrying this minimum program becomes too great for any local district to carry, then the State must step in and assist it in the financing of this minimum program.

b. The state has the right and the duty to urge localities to provide better than the State minimum program. This duty of educational leadership is placed in the office of the State Superintendent of Public Instruction.

There must also be intelligent followerships in the local districts consequently we have local superintendents to lead the locality into a progressive program better than the State minimum.

6. Cubberly, in one of his studies some years ago stated that State subsidies to school districts are for two purposes:

a. To equalize educational opportunity through helping districts to finance a minimum standard educational program, and

b. To help local districts to do more than the State requires.

The Finance Inquiry authorized in 1920 by the National Education Association found that these two principles work against each other. Equalization of educational opportunity must be made the first concern of the

State and the educational leadership of the State Department of Public Instruction must be used to develop the educational opportunities over and above the State minimums.

Payment for effort is only a device of leadership and is not a principle of State reimbursement. Our present task is to apply the arithmetic of State financing of public education to the facts in Pennsylvania and find out just what it would mean to the various districts of the State.

VI. After some discussion by members of the Commission it was thought wise to have a suggestive plan worked out for Pennsylvania, probably on a $1,500 level for elementary education and a $1,800 level for high school education, and have the figures ready by the next meeting. The exact levels for this tentative program were to be determined by the Superintendent.

VII. It was agreed that a Superintendent from one of the States of Massachusetts, Maryland, or New Jersey should be invited to attend the next meeting of the Commission to explain the operation of State subsidies in his State.

VIII. Just before adjournment Dr. Keith distributed to the Commission a tabular statement showing "Comparative Figures of Selected Items Relating to Education in Pennsylvania and Adjoining States for the year 1925."

IX. Deputy Superintendent James N. Rule was appointed permanent secretary of the Commission.

X. Commission adjourned at 12:30 P.M. to convene at 9:30 A.M., December 9, 1927.

James N. Rule
Secretary

John A. H. Keith
Chairman

Minutes of a Meeting of the Legislative Commission
Authorized by Act 397, 1927 to Study the Distribution of State
Subsidies to School Districts

December 9, 1927

The meeting was called to order at 9:30 A.M. by Superintendent John A. H. Keith, Chairman.

I. Attendance

1. Commission

a. Present

I ector Keith
Senator Norton
Senator Roberts
Mr. Sell

b. Absent

Senator Mansfield
Mr. Jobson
Mr. Jones
Mrs. Pitts
Mr. Himes
Mr. Turner

2. Department of Public Instruction

Mr. Crosley
Mr. Gayman
Doctor Rule, Secretary

II. Doctor Albert S. Cook, State Superintendent of Public Instruction of Maryland was present at the invitation of the Chairman, to discuss the Maryland plan of distributing state subsidies to public schools. Doctor Cook spoke in substance as follows:

The General Education Board made a survey in 1915 and 1916 of school conditions in Maryland. The recommendations of this survey resulted in much new legislation in 1916, particularly in the matter of increasing the qualifications of teachers.

After the War, school districts in Maryland had difficulty owing to low salaries, in keeping teachers. The Legislature of 1920, therefore, had to increase the salaries of teachers in order to hold them in the system. The turn-over in some counties was as high as sixty per cent. Some counties, in order to meet the new salary schedule, had to spend as much as eighty to ninety per cent of their total revenues. The result of this situation was that state authorities had to set up a minimum educational program with particular reference to the qualifications of teachers, and then study how best to distribute the money that was available in order to distribute equitably the burden of financing this program. In the meantime, Maryland had slipped back from about eleventh to thirty-fourth in the Ayres Scale for the ranking of states. We found we would have to have additional money and so we went to the governor to see how much additional money could be secured for state support of public schools. It was estimated that probably $2,000,000 additional would be needed if the state appropriation were to be increased sufficiently to enable the poor counties to carry the new state program on a reasonable local tax rate and the money to be distributed according to the usual plan of apportionment. This increase was more than we can reasonably hope to get and, therefore, we set about to study out a plan whereby the poorer counties would be helped to carry out the new program.

Our study of how best to distribute the money that was available was simplified by the fact that in Maryland the county is the unit, with the exception of the City of Baltimore; that is, there are in Maryland twenty-four school districts, twenty-three of these being counties and one being the independent district of Baltimore. We found that the average tax rate in the state on each $100 for school purposes was sixty-seven cents and that the richest district had four times as much taxable property back of each child as the poorest district. We figured how much the new program would cost each county and how much a sixty-seven per cent tax rate would raise locally. We then estimated the additional state appropriation needed to carry the state program. Eight of the counties in addition to the City of Baltimore were able, on a minimum tax rate of sixty-seven cents, to carry the new program without any additional aid from the state other than the amount that had been received. This left fifteen counties to whom additional help should be given. The solution of our problem was found in

the setting up of an Equalization Fund, which the first year amounted to about $250,000 and in 1929 will approximate $500,000. An important factor in the operation of this Equalization Fund has been the State Tax Commission whose duty it is to see that all property is assessed at full value. As a matter of practice, rates do vary somewhat in counties, the average rate of assessment outside of Baltimore, being about sixty-five per cent. It is the duty also of the State Tax Commission to see to it that new wealth is assessed.

Doctor Cook's statement on the Maryland Equalization Fund begins on page 4.

III. Doctor Paul R. Mort presented a Preliminary Report to the Commission to Study the Distribution of State Subsidies to School Districts.

Doctor Mort's report with tables begins on page 13.

IV. The meeting adjourned at 1:00 P.M. to meet again on Wednesday, February 22, 1928 in the office of the Superintendent of Public Instruction, Harrisburg, beginning at 9:30 A.M.

James N. Rule
Secretary

Approved:
John A. H. Keith
Chairman

THE EQUALIZATION FUND

The State School Program of 1922 was the result of careful study of the local needs throughout the State, conferences with county superintendents, supervisors, boards of education, teachers, and other interested citizens, and frequent discussions before various groups. As is usually the case with school programs, most of the items which were found to need improvement called for additional funds, either State or local. A study of school data from every county in the State revealed that the poorer counties had higher tax rates and a less well-trained teaching staff than the wealthier counties. The Ayres' Index Number, calculated for each county, showed that in attendance and financial support of schools, there is as much variation in Maryland between the highest and the lowest county as there is in the United States between the highest and the lowest state. One county ranked with South Carolina, and another had the same index number as Montana.

The wealthier counties have three or four times as much wealth back of each child to be educated as the poorer counties; but in the distribution of the State school fund on the basis of the children of school age and the aggregate days of school attendance, a wealthy county receives as much money for each child as a poor county. If the State appropriation had been increased sufficiently to enable the poor counties to carry the new State program on a reasonable local tax rate, and the money distributed according to the usual plan of apportionment, an increase of more than $2,000,000 would have been required in the State appropriation. This increase was more than we could rightfully ask for or hope to get; so we adopted the equalization fund as a means of aiding the poorer counties to carry the new program, and the principle underlying this fund was thus stated to the people:

Any county that can not carry the new minimum salary schedule for teachers on a county school tax levy of 67 cents on $100 of assessed valuation, shall have such an allotment from the equalization fund as will enable the county to carry the program; provided that not less than 24 per cent of the current expense budget must be spent for purposes other than teachers' salaries.

It was found that 15 of the 23 counties would share in the Equalization Fund, in amounts ranging from $1,000 to $35,000 for 1923, with a total of $234,000 for the 15 counties. Instead of increasing the State School Fund by $2,000,000, and distributing it on a pupil basis, we asked for an increase of $234,000, to be distributed to the communities that most needed help and in direct proportion to their school needs. The amount hitherto distributed to other communities was not to be raised. All of these data, including the exact sum each county would receive from the Equalization Fund, and all other items of the State school budget were published in a "Do You Know" folder and widely distributed, and each county superintendent organized a publicity campaign to explain the principles back of the budget.

The educational implications of the Equalization Fund should be considered in connection with certain features of the government organization in Maryland. For instance, Maryland has a State Tax Commission whose function it is to equalize assessments in all the counties and to supervise the making by the local authorities, every five years, of a reassessment of all property in the State. Also, Baltimore City is a distinct school unit, working under a special charter, but all the schools in each county, whether in city, town, or rural section, are wholly, financially and otherwise, under the direction and control of a County Board of Education, working directly under the State School Law.

The Equalization Fund is calculated from data furnished by each county superintendent of schools, who is secretary and treasurer of the county board of education. State aid is given also to approved high schools, for part-payment of certain salaries, for textbooks and materials of instruction, and for vocational, physical, and health education.

Advantages of the Equalization Fund

1. The Equalization Fund enables every county to pay the State minimum salaries on a reasonable local tax rate for schools, but does not forbid a county to pay more than the minimum, if it so desires, by levying a tax rate above 67 cents.

2. The amount of the Equalization Fund each county will receive is calculated every two years, and is written in the State School Budget, subject to approval by the State Legislature. The counties sharing in the fund can secure as many trained teachers as are available, and do not need to increase the local county tax rate for schools in order to meet the increased cost of these better qualified teachers. Three fourths of the counties which pay only the minimum salary schedule can compete on equal terms for their own local product of trained teachers.

3. The present State salary schedule requires that a <u>normal school graduate</u> who has charge of a one- or two-teacher rural school shall be paid a minimum salary $100 higher than she would receive as a grade teacher in a town or city school in the same county. This is a direct bonus to normal school graduates who elect to teach in the rural schools. There are many of these in the sparsely settled poorer counties.

4. A minimum State school year for white schools of 180 days is secured without hardship to the poorer communities; and, since teachers' salaries are on a yearly basis, payable in 10 monthly installments, many of the counties have a school year of 190 days or more, without any additional cost to the taxpayers.

5. A poor county shares in the Equalization Fund in direct proportion to the increases in the training and efficiency of the teaching corps and the increase in high school facilities and other educational opportunities for the children, because the cost of teachers' salaries in all schools is the main factor in determining each county's share. This is a strong point for a county superintendent to use in urging progressive school policies.

6. The Equalization Fund has made it possible to secure a total salary increase for well-trained teachers of almost half a million dollars, ranging from $150 to $700 per teacher.

7. Along with salary increases for teachers came salary increases for county superintendents, for supervisors, and for helping teachers; and a supervisory officer was provided in each county for every 40 teachers in the elementary schools, the State paying two thirds of the minimum salaries of county superintendents, supervisors, and helping teachers, and the entire salary of one school attendance officer for each county.

Computation of the Equalization Fund

The Equalization Fund is computed by assembling the following facts for each teacher from each county superintendent:

School
Name of Teacher
Years of Experience
Grade of Certificate
Salary
Change in certificate grade by:

a. Raising grade of certificate

b. Replacing teacher with another having additional training

These facts are verified, except that (a) and (b) are carefully estimated. The salaries of elementary teachers in excess of the requirements of Section 47 of the State School Law are deducted. (See Exhibit A attached). The salaries of high school teachers in excess of requirements of Section 128 of the State School Law are deducted. (See Exhibit B attached). The salaries of new teachers are added to provide for cases where the number is insufficient or where there is an increasing population for which new buildings are being provided.

Salaries are counted at the minimum provided by Sections 60, 126, and 132 of the State School Laws passed by the Legislature of 1922, and any salary paid by a county in excess of this schedule is entirely at the county's expense, to the extent of the excess only. (See Salary Schedules in Exhibit C attached).

If additional teachers are requested to provide for increased enrollment, provision is made for them, especially if new buildings will be available to care for the additional classes.

The sum of the salaries of necessary teachers corrected as above is divided by .76 to determine the county school budget required. The salary budget shall not be more than 76 per cent of the total budget according to Section 133 of the State School laws. The additional 24 per cent is needed to cover the current cost of administration and supervision, books, supplies, cleaning, heating, repairing buildings, transporting pupils, providing library and health service. (See left side of calculation sheet — Exhibit D, attached).

The Equalization Fund is the difference between the estimated amount required above* and the amount available for school purposes from State Aid for

(1) high schools
(2) census and attendance,
(3) books and supplies, and
(4) part-payment of salaries of county officials

plus the amount available from a county tax of 67 cents on the assessed valuation of property taxable at the full rate for county purposes. A rate of 67 cents is chosen because it is close to the median tax rate for school purposes among the counties. (See right side of calculation sheet - Exhibit D).

The counties receiving the Equalization Fund are therefore those in greatest need of help in carrying the minimum essentials of the State requirements without having to tax themselves above the school tax rate prevailing in the average county of the State.

---

*To this amount is added one half of the amount expended during the previous year for transportation of elementary school pupils.

MARYLAND

BASIS FOR DISTRIBUTION OF STATE APPROPRIATIONS
TO COUNTY BOARDS OF EDUCATION
OTHER THAN THE EQUALIZATION FUND

High School Aid

Total allotment in State School Budget for 1925 ..... $ 414,630

	First Group Schools	Second Group Schools
Principal	$ 900	$ 650
2 Academic Assistants, each	600	
2 Special Assistants, each	450	
1 Academic Assistant	450	
Additional Assistants, each	150	
Maximum to a county high school	5,000	

Textbooks and Supplies

Total allotment in State School Budget for 1925 ..... $ 250,000

Based on average number belonging in all public schools in the preceding year.

Colored Industrial Fund

Total allotment in State School Budget for 1925 ..... $ 30,750

$1,500 allowed each county having a colored industrial school and a colored supervisor. If no colored supervisor is employed only $750 is paid the county toward the maintenance of the colored industrial school.

Part-Payment of Salaries

Total allotment in State School Budget for 1925..... $ 176,000

Two thirds of the minimum State salary schedule for county superintendents and supervising and helping teachers actually employed. $1,200 is the amount paid toward the salary of the attendance officer. The salary schedule and number of supervising and helping teachers who can be provided for, if employed, is shown below.

Salary Schedule for Supervisory Staff

	Years of Experience		
	1 - 4	5 - 7	8 plus
Helping Teacher	$1,440	$1,740	$2,040
Supervising Teacher	2,040	2,340	2,640
County Superintendent --			
Less than 150 teachers	2,500-2,940		
150 - 199 teachers	2,940	3,240	3,540
200 or more teachers	3,540	3,840	4,140

Number of white elementary teachers requiring supervising or helping teachers	Number of supervising or helping teachers required
Less than 80	1
80 - 119	2
120 - 185	3
186 - 235	4
236 - 285	5
286 - 335	6

Census and Attendance

Total allotment in State School Budget for 1925 ..... $1,970,000

Two thirds based on census of all children of ages 6 to 14 inclusive, one third on aggregate days attendance.

Exhibit A

In providing for the Equalization Fund, a county is not allowed elementary school teachers except in accordance with the following schedule provided for in Section 47 of the State School Law:

PRINCIPAL AND NUMBER OF ASSISTANTS NEEDED IN ELEMENTARY SCHOOLS

Average Attendance	Principal	Assistant
Less than 41	1	-
41 - 80	1	1
81 - 120	1	2
121 - 160	1	3
161 - 200	1	4
201 - 240	1	5
241 - 280	1	6
281 - 320	1	7
321 - 360	1	8

Exhibit B

State Aid to High Schools

Section 128 of School Law

First Group Schools

No. of Pupils Enrolled	Average Daily Attendance	No. of Acad. Teachers Including Principal	No. of Special Teachers	Maximum Amount of State Aid for Academic Teachers	Special Teachers
30 - 54	25 - 47	2	.4	$ 1,500	$ 180
55 - 89	48 - 79	3	1	2,100	450
90 - 124	80 - 109	4	2	2,550	900
125 - 159	110 - 143	5	2½	2,700	975
160 - 194	144 - 174	6	3	2,850	1,050
195 - 229	175 - 206	7	3½	3,000	1,125
230 - 264	207 - 237	8	4	3,150	1,200
265 - 299	238 - 269	9	4¼	3,300	1,237.50
300 - 334	270 - 300	10	4½	3,450	1,275
335 - 369	301 - 332	11	4¾	3,600	1,302.50
370 - 404	333 - 363	12	5	$5,000	
405 - 439	364 - 395	13	5¼	5,000	
440 - 474	396 - 426	14	5½	5,000	
475 - 509	427 - 458	15	5¾	5,000	
510 - 544	459 - 489	16	6	5,000	
545 - 579	490 - 521	17	6¼	5,000	
580 - 614	522 - 553	18	6½	5,000	
615 - 649	554 - 584	19	6¾	5,000	
650 - 684	585 - 616	20	7	5,000	
685 - 719	617 - 647	21	7¼	5,000	
720 - 754	648 - 679	22	7½	5,000	
755 - 789	680 - 710	23	7¾	5,000	
790 - 824	711 - 742	24	8	5,000	
825 - 859	743 - 773	25	8¼	5,000	
860 - 894	774 - 805	26	8½	5,000	
895 - 929	806 - 836	27	8¾	5,000	
930 - 964	837 - 868	28	9	5,000	
965 - 999	869 - 899	29	9¼	5,000	
1000 -1035	900 - 932	30	9½	5,000	
Baltimore City Senior High Schools				6,000	

The special teachers shown above may or may not include teachers of vocational agriculture and vocational home economics, who receive aid from the Federal Government and from the special fund for vocational education appropriated by the State.

Second Group Schools

15	12	1		650

Exhibit C

ELEMENTARY SCHOOLS

Minimum Salary Schedule for
White Elementary School Teachers.

Position	Years of Experience 1 - 3	4 - 5	6 - 8	9 -
Teacher holding certificate of third grade (no increase)	$ 600	$ 650	$	$
Second grade	750	800	850	
First Grade	950	1,050	1,100	1,150
First grade in charge of one- or two-room school	1,050	1,150	1,200	1,250
Principal with two assistants	1,150	1,250	1,300	1,350
Principal with five assistants and 200 in average attendance	1,350	1,450	1,500	1,550
Principal with nine assistants and 360 in average attendance	1,550	1,650	1,700	1,750

HIGH SCHOOLS

Minimum Salary Schedule for
White High School Teachers.

Position	Years of Experience 0 - 1	2 - 3	4 - 5	6 - 7	8 -
Regular assistant	$ 1,150	$1,200	$1,250	$1,300	$1,350
Principal third group	1,250	1,300	1,350	1,400	1,450
Principal second group	1,350	1,400	1,450	1,500	1,550
Principal first group	1,550	1,650	1,750	1,850	1,950
Principal first group, five assistants and 100 in attendance	1,750	1,850	1,950	2,050	2,150
Principal first group, nine assistants and 200 in attendance	1,950	2,050	2,150	2,250	2,350

COLORED SCHOOLS

Minimum Salary Schedule per Month
for Maryland Colored Teachers (8 months).

Position	Years of Experience 1 - 3	4 - 5	6 - 8	9 -
Elementary school teacher holding certificate of third grade	$ 40	$ 45	$	$
Second grade	50	55	60	
First grade	65	70	75	85
High school assistant	80	90	95	
Principal	95	110	120	
Principal with five assistants and 100 in attendance	105	120	130	

Exhibit D

Calculation of Equalization Fund for 1924 - 1925

Worcester County

Expenditures for Current Expenses

Payroll, October 1923

White high schools	$ 53,910.00
White elementary schools	76,150.00
Colored schools	19,280.00
Total	149,340.00

Decreases for excess* teachers or excess salaries (see P. 7)

White high schools (see p.11)	6,500.00
White elem. schools (see p. 10)	6,300.00
Colored schools (see pp. 10 - 11)	---
Total decreases	12,800.00

Increases (see pp. 7 and 9)

White high schools (see p.11)	990.00
White elem. schools (see p.10)	6,150.00
Colored schools (see pp.10-11)	2,320.00
Total increases	9,460.00
Net decrease	3,340.00

Salary Budget Required	146,000.00
$146,000 ÷ .76 Current Expense Budget Required	192,100.00
½ Transportation Cost of Elementary pupils added arbitrarily *	3,046.46
Total Current Expense Budget Required	195,146.46
Receipts from State and County	176,850.36
EQUALIZATION FUND	$ 18,296.10

Estimated Appropriations from State for

High schools	$ 17,190.00
Textbooks	4,171.32
Supplies	1,042.84
Colored Industrial Fund	1,500.00
Census and attendance	37,246.20

Part-payment of Salaries

Superintendent	1,960.00
Supervisor	1,560.00
Attendance Officer	1,200.00
Total State Appropriations	65,850.36
County Levy at 67¢ Rate on $16,566,130.00	111,000.00
Total Receipts Available	176,850.36

Assessed Valuation of Property

Real Estate	12,900,487.00
Personal Property	2,620,532.00
Railroad Property	775,370.00
Ordinary Business	224,931.00
Domestic Corporations	44,760.00
Total	$16,566,130.00

Schools Having Excess Teachers

School Dist.	No. in Excess	School Dist.	No. in Excess
8	1	2	1
7	1	8	1
4	1	4	1
9	1	8	1
5	1	1	2
2	1		
5	2		

1 - one additional

PRELIMINARY REPORT TO THE COMMISSION TO STUDY THE DISTRIBUTION OF STATE SUBSIDIES TO SCHOOL DISTRICTS

Harrisburg, Pennsylvania

December 9, 1927

by

Paul R. Mort

.....

The longest established and most widely accepted principle upon which school administration operates is the equalization of educational opportunity. While this principle is of the very foundation of our public school systems, it is only recently that its demands upon the State's participation in the support of education have been clearly defined. The States have made attempts to introduce the principle in the distribution of funds for more than fifty years, but the confusion of the demands of equalization of educational opportunity with other uses to which State money had been put confused the students of the problem so that there was no clear understanding of the full demands of the generally accepted principle of equalization.

Prior to 1924 in one state only was there any approach to equalization of an adequate program of education. This was the State of Maryland. The confused situation still faced the students of this problem until the studies of the Educational Finance Inquiry in 1923 defined clearly the demands of equalization of educational opportunity upon state support. Since that time a number of studies have been made the results of which are now available to groups that are interested in discovering the proper relationship of the State to the support of the public schools. In this period, also, the States of New York, Alabama, North Carolina, and Georgia, and Florida have made worthwhile steps towards an adequate system of State support.

Five states have passed laws on this problem during the past year. A number of states that have not as yet made the forward step indicated are carefully studying the problem. The State of Connecticut will, in all probability, accept a scientifically developed plan at the next Legislature. Illinois, West Virginia, Wisconsin, Utah, Missouri, and Wyoming are making serious studies of the problem. The situation in which this Commission finds itself is, therefore, one in which the country is experiencing a Nation-wide movement towards living up to the duty of the State towards education as it has been clarified by the Educational Finance Inquiry and other studies. The progress along this line during the past year has been characterized by one of the great educational leaders of the country as the most significant advance in the whole field of school administration during this year.

The responsibility of the State for the support of education may be summarized so briefly and simply that it seems impossible that the analyses that led to its clarification could have waited so long. It is simply that the State should accept the responsibility for seeing that a satisfactory program of education is offered to all the children within its bounds and then should in a business-like manner set about the task of seeing that the burden of such a program is distributed in such a manner that it will fall upon the people in all localities according to their ability to pay.

This Commission, at its last meeting, instructed me to discover what would be the implications of the acceptance by the State of Pennsylvania of a minimum educational program to cost $1500 for each elementary teacher unit and $1800 for each high school teacher unit. While this task has not been completed in its entirety, sufficient information is available to give

the Commission some idea as to the implications of offering such a program.

The first step that was necessary was that of establishing a measuring instrument with which to measure the cost of a uniform program of education in each community. This involved a great deal of labor and is not entirely completed. Once done, however, it will be usable over a period of years for a program of any extent.

It is obviously impossible to take the expenditures of each community as a measure of a uniform minimum program. It is common knowledge that the range of expenditure for education varies greatly within the State because of different types of educational programs offered in the various localities. The expenditure of a local community is properly made up of, first, the expenditure necessary to meet the State's minimum program of education and, second, the expenditure necessary to meet additional demands for education made by the community itself. To take the expenditure of each community as a measure of the State's program would, therefore, be placing upon the State responsibility for financing, not a uniform program of education, but as many programs of education as localities see fit to offer.

For similar reasons, the use of the number of teachers, the measure used in the present State Aid Laws is not a satisfactory index of the cost of the minimum program. Here, again, many wealthy communities exceed the state's demands by employing many more teachers for the same number of pupils than poorer communities. For example: in Dubois, Clearfield County, a district with 2534 pupils, 90 teachers are employed. Dubois has a valuation back of each teacher of $170,000. In contrast, Abington, in Montgomery County, which has a unit valuation more than

twice as great, employs 40% more teachers for the same number of pupils. The use of the number of teachers as an index of the cost of a minimum program, therefore, tends to favor unduly those communities which, as a part of their own legitimate participation in education, are employing an unusually large number of teachers.

For different reasons, the number of pupils is not a good index of the cost of the minimum program. In communities in this State having forty pupils in a high school, there is employed, on the average, one teacher for each thirteen pupils. Districts with large high schools, on the other hand, find it necessary, on the average, to employ only one teacher for every twenty-three pupils. Obviously, a plan that would use the number of pupils as an index of cost would penalize the districts in sparsely settled areas.

We have developed an index of the cost of the minimum program which takes into consideration the fact that smaller districts must have classes smaller than average and the further fact that high schools have smaller classes than elementary schools. The index developed allows one high school teacher unit for each thirteen pupils in a school with forty pupils. It allows one high school teacher unit for each seventeen pupils in a school of seventy pupils. This amount changes gradually for every size of school until the point is reached where size no longer decreases cost. There is no sudden change of a community from one group to another group simply because of an increase in the size of the school. This change occurs gradually with the size of school.

One's first reaction to this sort of a measure is that it would be exceedingly complicated to express it in law. As a matter of fact, it can be expressed so simply that no one not realizing it would guess that it carried with it such refinement of adjustment. The clause defining this measure would read something as follows: For high schools having an

Average daily attendance less than seventy, count two high school teacher units for the first twenty-three pupils and one for each additional twenty-three. For schools having an average daily attendance of seventy or more, but less than 200, count four high school teacher units for the first sixty-nine pupils and one for each additional twenty-eight pupils. For schools having 200 or more pupils, count one high school teacher unit for twenty-three pupils. As you see, the statement is not at all technical. You will find such statements in the school laws of New York, North Carolina, Alabama, and California.

When we have applied this measure to high schools and a corresponding measure to elementary schools, we have an index of the cost, not only of teachers' salaries, but of the current expenses which can be associated around the teacher unit. Among these would be the cost of fuel, cost of janotor service, the cost of supervision and the cost of administration. But it does not care for all costs. The cost of a minimum program is affected in some communities by one or the other of two important factors which this measure does not take into consideration. One of these is the cost of living, - particularly in large cities, cities on trunk railroad lines, and residential areas adjacent to large cities. An investigation of the cost of living situation as it affects this problem is now under way. Dr. David P. Harry of the University of Pittsburgh developed report forms which were sent out to all first, second, and third class districts and to certain fourth class districts. Copies of these forms have been mailed to members of the Commission. The results of this investigation should come into this office next week and will be worked up by Doctor Harry. In order that this fact might be taken into consideration in the figures presented later in this report, an estimate of the amount of adjustment necessary was used. This estimate was provided by Dr. Harry. It was based upon his experience in making an extensive study of this problem in the State of New York.

The other correction needed for our index of the cost of a minimum program is some measure of the extent to which the State should participate in providing transportation for children. An investigation that promises to give us a correct figure for this is being developed by Dr. Robert Burns who has recently completed a doctor's dissertation on this particular problem as it operates in the State of New Jersey. For our immediate purposes, the actual expenditure for transportation in the various districts was used.

All this discussion bears upon the first Essential feature of the State's participation in the support of schools - that of defining the cost of the State's minimum program in each locality. The result of the application of these measures is to give for each community a single index number of the cost of a uniform program of education. This index number can be multiplied by any unit cost figure and the result will be the cost of such a program of education in the locality. Each of these units corresponds to the cost of an elementary teacher unit. In other words, transportation, cost of living, high school teacher units, and elementary teacher units are all expressed in terms of elementary teacher units.

A $1500 program in a district having ten such units would, therefore, cost ten times $1500 or $15,000. Since, in the State, there are in the neighborhood of 62,000 such units, the total cost in the State for a $1500 minimum program is approximately $93,000,000.

We must now turn to the other problem involved - that of developing a method of distributing the burden of this $93,000,000 program upon the people in all localities according to their ability to pay. Obviously, this might be done by having the State assume the total burden of this program. All that would be necessary in such a case would be for the State to distribute to each

locality $1500 for each teacher unit. Such a plan would require, annually, $93,000,000 in State aid or $68,000,000, annually, in addition to the present State aid. Chart I shows how such a plan would operate. This chart shows fifteen districts, chosen at random throughout the State. The poorest districts are at the bottom and the ablest are at the top. The length of each bar represents $1500, the unit cost of the minimum program in each community. The blank section of each bar, at the right, shows the amount of present State aid for each community. The black part of the bar, at the left, shows the additional State support that would be given if the State were to assume the complete support of a $1500 program. This plan of State support is called the Large Fund Plan because it takes so much State money to attain the desired result.

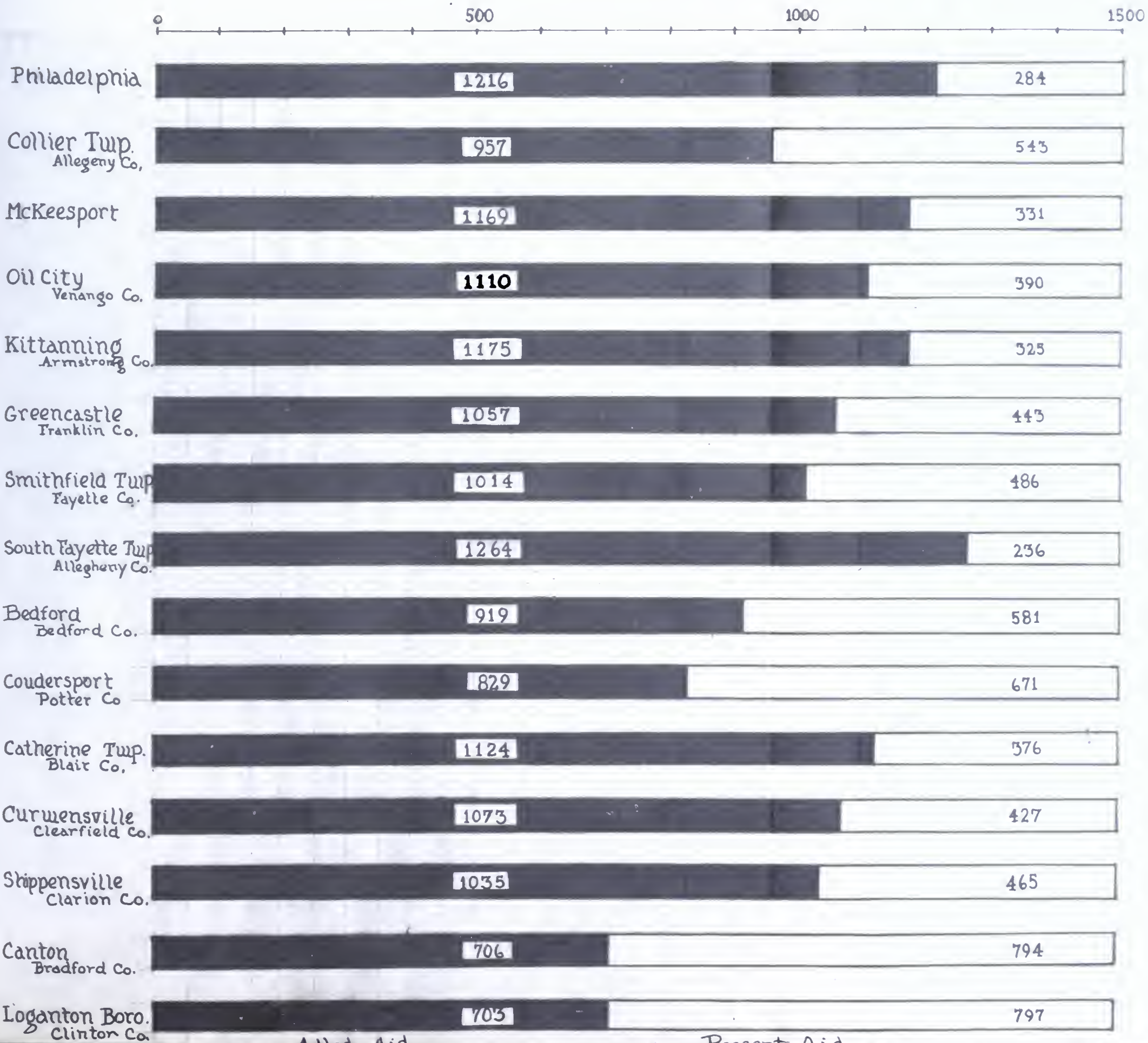
The plans most commonly in use in the newer state support systems are adaptations of what is called the Small Fund Plan. This plan calls for a local contribution to the minimum program at a rate sufficient to pay the whole cost of the minimum program in the wealthiest communities only. The state supplements this local rate to whatever extent necessary to make $1500 per unit available in each community. Chart II illustrates this plan. The mottled part of the bar, measuring from the left, shows how much the district would raise with a uniform tax of 5.1 mills. The remainder* of the bar shows the state aid necessary to supplement the local contribution. This, as you see, varies from nothing in the wealthy communities to as much as $1396.00 in the poorest community.

---

*Where a district would receive more than it now receives, the necessary state aid is broken up into present and additional aid.

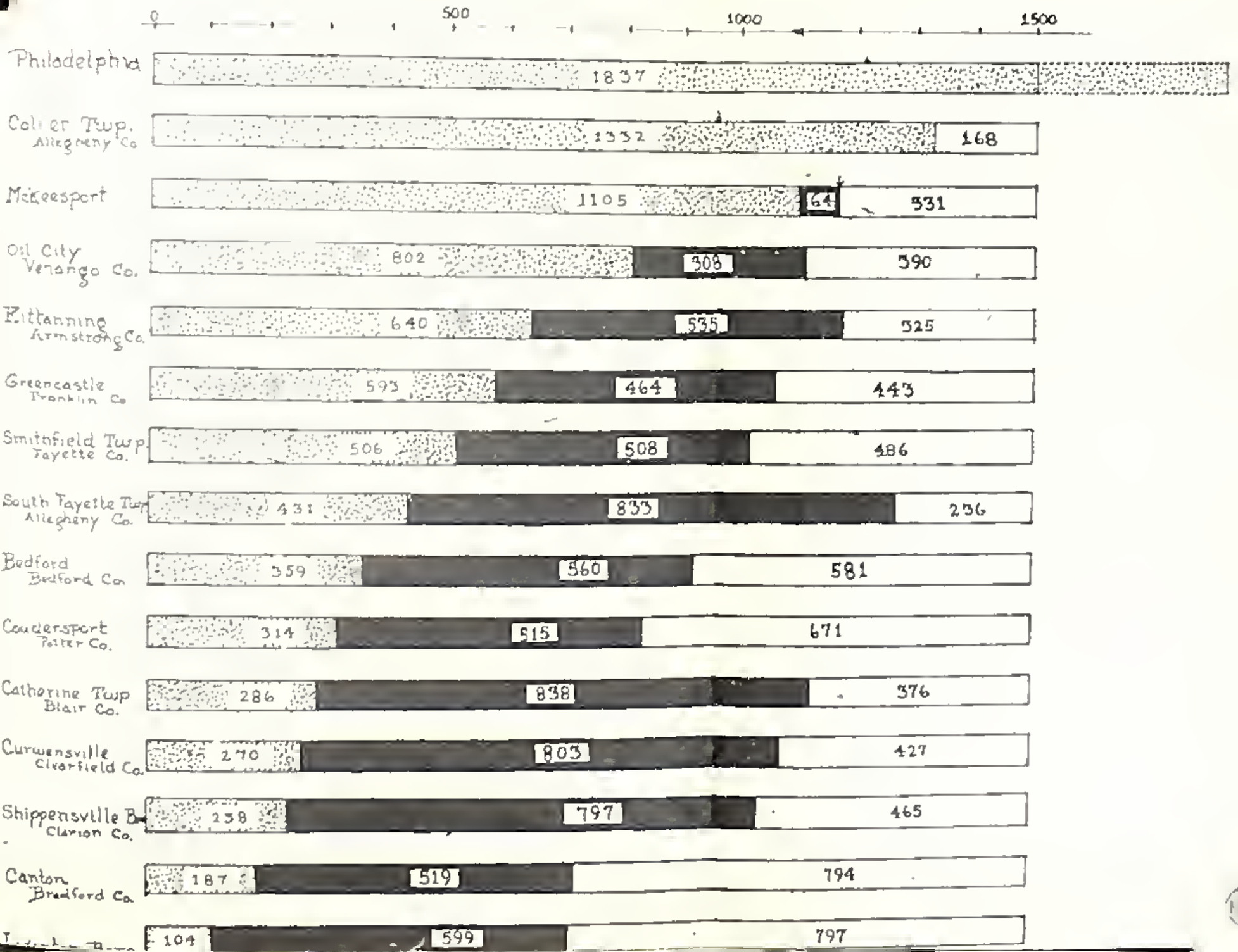
Preliminary Studies for Distribution of State Subsidies, with Tentative Contributions from State and Local Communities, Applied to Fifteen Selected School Districts. Pennsylvania

$1500 - Complete Support



Preliminary Studies for Distribution of State Subsidies, with Tentative Contributions from State and Local Communities, Applied to Fifteen Selected School Districts. Pennsylvania

$1500 Small Fund Plan



To use this plan would require the elimination of the present state aid system and the use of the fund in a more advantageous manner. The total amount of state aid required to finance the $93,000,000 minimum program, according to this plan, would be approximately $28,500,000.* This is approximately $4,000,000*, annually, in excess of the amount now provided by the State for the public schools. Theoretically, this plan gives as good results as the plan of complete state support.

It has, however, what may be considered an objectionable feature. It takes away from the wealthy districts state aid which they have been receiving. While they have no vested interest in the continuation of such aid, they have some right to expect a continuation of such state support. This difficulty can be avoided by the plan shown on Chart III. This plan allows present state aid to stand and supplements it by the Small Fund Plan. By this plan the local contribution would be less - four mills instead of five mills. The mottled part of the bars indicate the contributions of the localities at the rate of four mills. The blank part of the bars at the right indicates the amount of state aid per unit now received by the districts. The amounts shown in black indicate the additional aid that each district would receive. Inasmuch as this plan demands that a smaller amount of local contribution shall be required, the amount of state support required is proportionately larger. The annual amount of state support that would be required in excess of that now provided would be $21,000,000.*

There are, of course, intermediate plans which deal differently with these same factors. It would be possible, for example, to guarantee communities any percentage of the present state aid that would appeal to the Commission as equitable. If communities were guaranteed one-half the present state aid, the

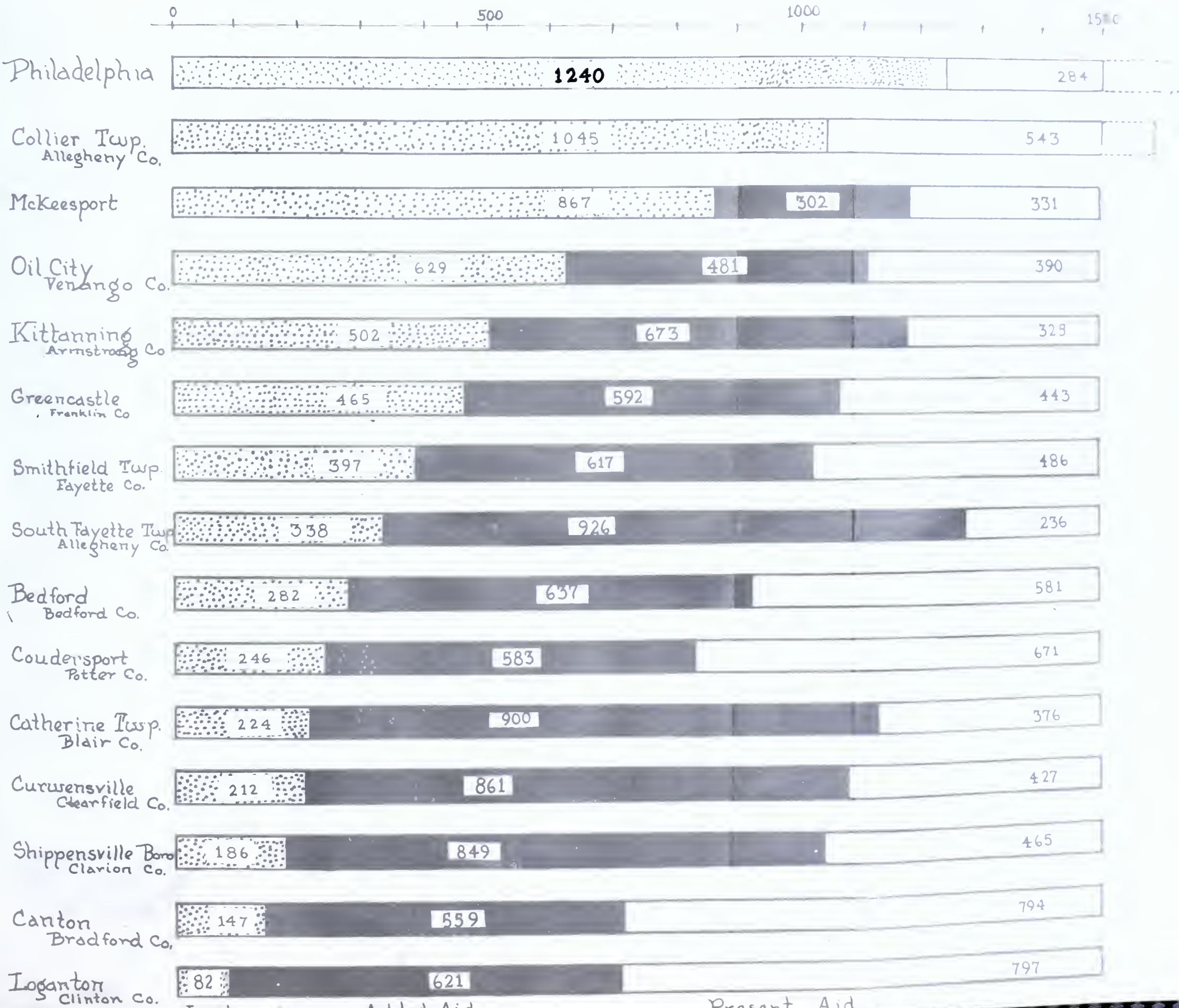
---

*This is a rough estimate based upon incomplete analysis. The exact figure will be reported at the next commission meeting.

CHART III

Preliminary Studies for Distribution of State Subsidies, with Tentative Contributions from State and Local Communities, Applied to Fifteen Selected School Districts. Pennsylvania

$1500 Without Reductions



$1500 program could be equalized with approximately $37,000,000,* which is in the neighborhood of $12,000,000* in excess of the present state aid.

Table I gives the figures upon which Charts I, II and III based for the fifteen districts shown on these charts and sixty-six other communities, chosen at random through the State. They are arranged in order of their ability to support schools, from the poorest to the wealthiest. Logantown, Clinton County, is first on the list. It is the poorest district listed. It has 4.78 teaching units. The full value of property per unit is $20,000. It now receives in state aid $797 per unit. If it were to levy 5.1 mills on the full value of property, it would have available $104 for each unit. The state should, therefore, provide $1396 state aid per unit, or $599 more than it now provides. This assumes equalization on the small fund plan (Chart II). If the Chart III plan were used, it would levy four mills, yielding $82 per unit. It would therefore need $1418 state aid, which is $621 in excess of what it now receives. It is now expending $1484 per unit, or $16 less than a $1500 program.

The Commission faces the problem of deciding as to what relation these factors should have in the Pennsylvania program - the extent of the program and the status of present state aid. With this decision made, the development of the equalization plan is a simple metter.

It is an easy matter to apply similar plans to a program of education at any other level. Take, for example, a $1200 program. Such a program would cost in the neighborhood of $74,000,000 annually. The Large Fund or complete state support plan for such a program would require $50,000,000 in excess of the present annual appropriation. The Small Fund Plan that uses the present state aid to best advantage, giving the wealthiest districts little or no state aid, could be financed with no or little additional state aid. The plan

*See footnote on page 22.

that leaves present state aid for any community intact would require $16,000,000* additional state support. The plan that would guarantee to each community one-half of what it now is receiving would require approximately $7,000,000* additional state support.

The tasks that lie ahead of us are:

(1) The completion of this study, including a presentation of the extent of the minimum program towards which the State of Pennsylvania may be expected to work.

(2) The submission to the Commission of a complete report giving the scientific basis for each decision made in connection with the development of measures, local rates of contribution, etc.

(3) The decision by the Commission as to the extent of the minimum program to be supported and type of plan of equalization of burden to be used.

(4) The computation of the effect of the Commission plan on every district in the State.

(5) The development of studies into those conditions for participation in the minimum program which should be made a part of the State Support Law.

(6) The drafting of the Support Bill, defining the minimum program, giving the financing plan, and conditions for participation of districts.

(7) The preparation of the Commission's Report which should have the studies mentioned above and those presented at an earlier meeting appended as basic materials.

*See footnote on page 22

Minutes of a Meeting of the Legislative Commission
Authorized by Act 397, 1927 to Study the Distribution of State
Subsidies to School Districts

February 22, 1928

The meeting was called to order at 9:30 A.M. by Superintendent John A. H. Keith, Chairman.

I. Attendance

1. Commission

a. Present
Mrs. Pitts
Senator Norton
Senator Mansfield
Mr. Sell
Mr. Jones
Doctor Keith, Chairman

b. Absent
Mr. Jobson
Senator Roberts
Mr. Himes
Mr. Turner

2. Department of Public Instruction
Mr. Crosley
Mr. Gayman
Doctor Rule, Secretary

3. At the invitation of the Chairman the following were present:
Dr. Mort
Dr. Harry
Dr. Burns

II. The Chairman presented a resolution of the Executive Committee of the Pennsylvania State Education Association. A copy of this resolution is given on page 10. After considerable discussion and upon the motion of Mr. Jones, seconded by Senator Norton, the Secretary was directed to send to the Executive Council of the P.S.E.A. a letter in reply, copy of which is shown on page 11.

III. Dr. Mort was asked by the Chairman to continue his discussion of his studies and recommendations in relation to the proposed plan for the distribution of State subsidies. Dr. Mort's statement was, in substance, as follows:

Dr. Mort reviewed the principles underlying the State's participation in the financing of public schools that had been discussed in previous meetings. He showed how the clarification of the definition of the principle of equality of educational opportunity brought about by the Educational Finance Inquiry had made possible a development of scientific methods of state support for schools. This principle demands that the State shall define a satisfactory program of education below which no community shall be permitted to go and then shall make provisions for distributing the burden of this program in such a way that the burden falls upon the people in all localities according to their ability to pay taxes.

In an earlier meeting the basic index that has been developed for the measuring of the cost of a uniform minimum program in all kinds of localities was discussed. This measure dealt with all those costs that may be thought of as arising from the operation of the classroom. They include the salaries of teachers, wages of janitors, cost of fuel, teaching supplies, supervision, administration, etc. This index, however, does not take into consideration variations in cost of living and the cost of transportation of pupils. Corrections for these factors, though comparatively small in total, are important to individual communities. Two additional studies have been made, the one reported by Dr. Harry on cost of living and the one by Dr. Burns on transportation. Table I shows the total index of need for each county in the State and indicates how much of this arises from elementary schools, high schools, transportation, and cost of living, respectively. Each of

these units of need is equivalent to an elementary classroom or teacher unit.

After a discussion of these corrections by Dr. Harry and Dr. Burns, Dr. Mort took up the method of financing a minimum program. Table 2 shows the total cost of various methods of financing at different levels. Table 3 shows the effect of these plans on each county in the State. Table 4 shows the effects on selected districts.

How two of these plans would operate in various types of communities is shown by Charts 1 and 2. The plan illustrated by Chart 1 is a plan that would take the least amount of state aid. This plan would require the elimination of present methods of distributing state aid and the use of present funds to best advantage for equalization purposes. It would result in decrease in state aid to many communities and the entire elimination of state aid in the case of some communities.

Chart 2 shows the operation of a plan that would guarantee to communities the aid which they now receive and use sufficient additional funds to justify the continuation of such funds to these communities. Whereas the plan shown in Chart 1 would use the local rate of contribution to the minimum program equivalent to 4.5 mills on the full value of property, the plan in Chart 2 would use a local contribution equivalent only to 3.5 mills on the full value of property. Either of these plans is as good as the other so far as equalization is concerned. The latter has the practical advantage of continuing present state aid.

Chart 3 is similar to Chart 1. In this, however, district lines are blended in such a way that the chart really shows the condition for the whole state. The section at the left of the chart shows what would be contributed locally to theminimum program at the rate of 4.5 mills on full value of property. Since the districts are arranged in order of wealth, the poor being at the bottom of the chart and the wealthy at the top of the chart, the amount raised locally increases as we go from the bottom of the chart to the top. The section at the right of the chart shows the amount of state aid necessary to finance the program. This, as will be seen, is $16,000,000 more annually than the State now contributes.

In like manner Chart 4 is similar to Chart 2. The section at the left shows the contribution of the localities at the rate of 3.5 mills on full value of property. The middle section of the chart shows present state aid as guaranteed to each locality. The right section of the chart shows the necessary additional state aid to bring about equalization of a $1500 program - $27,000,000 annually.

Dr. Mort recommended that the Commission adopt one or the other of these two plans as a desirable goal for the state of Pennsylvania. He then showed various methods by which steps towards the chosen goal might be taken. These methods differed largely in the treatment they accorded to the abler districts. Chart 5 shows the approach recommended as the most satisfactory. It will be noted that the left and middle sections of Chart 5 are identical with Chart 4.

The right hand section, however, which represents additional aid, is divided into six sections showing how six successive steps requiring approximately 4.5 mills increase each could be taken, the final step resulting in the complete program indicated in Chart 4. Dr. Mort pointed out that while it would be highly desirable to go the entire distance, any provision resulting in less increase than the $27,000,000 necessary to go the entire distance should be made with the entire program in mind. Dr. Mort further pointed out that while the total amount of state support resulting from the realization of this program would be more than $50,000,000, this is but a little more than one-fourth of the total expenditure for public schools in the state of Pennsylvania.

It was brought out in the discussion that the proposed plan of financing public education was new only in that it provided a defensible method of carrying out fundamental principles, which have been recognized in one way or another in present laws.

IV. The Chairman asked Dr. Harry to continue his discussion of the cost of living as a factor in the proposed plan of distribution of State subsidies. Dr. Harry said, in substance, the following:

Questionnaires were sent to first, second and third class districts with superintendents and to all county superintendents of schools. The prices of the food articles and the rent of a carefully standardized room were secured in each community. The average food prices were weighted with consumption weights used by the United States Bureau of Labor Statistics. Then the total weighted prices were used to estimate the cost of the whole food budget in each community. The average room rent was calculated for each community. The base, or 100 point used in the food index and in the rent index, was the average of the fourth class districts in the ten counties lowest in food and rent prices. The total index in each community equals .225 times the Food Index plus..205 times the Rent Index plus .57 as a constant for each community of the State for all costs besides food and rent.

Summary of total index of the cost of living: Prices were received and indexes calculated for eighteen first and second class districts, for ninety-two third class districts and for a sampling of fourth class districts of fifty counties. The average of the fourth class districts of the sixteen counties lowest on the total index is 1.001. All total indexes must now be considered on this base of the average of the sixteen counties. The average of eighteen second class districts is 1.151 on the total index. The average of the ninety-two third class districts is 1.108. The average of the fourth class districts in fifty counties is 1.048. The range in the total index for second class districts is from 1.242 in Norristown to 1.083 for New Castle. The range in the total index for third class districts is from 1.282 in Lower Merion Township to .975 in Waynesboro. The range in the county average indexes is from 1.155 for Delaware County to .953 for Fulton County.

Brief summary of findings concerning the cost of living in Pennsylvania: The first, second and third class school districts of Pennsylvania are, in general, grouped, clustered, or concentrated in three areas, the territories around Philadelphia, around Pittsburgh and around Scranton and Wilkes-Barre. The other second and third class districts are located very frequently on the main transportation lines of the State. Higher costs of living depend almost entirely on the variation in room rent. Concentration of population, geographical location in the State near manufacturing centers or natural resources cause room rents to be higher than the average for the State. A study of the returns shows that those fourth class districts that are near or within the sphere of influence of first or second class districts are also in general higher on the index. The smaller districts do not,

however, have index numbers as high as those of the neighboring first or second city. It was found that they were roughly about one-half as far above the average as were the first or second class districts. It was also found that the fewer teachers there were in these fourth class districts and the farther they were from the source of influence, in general, the cheaper these surrounding districts were on the index.

Proposal in connection with cost of living:

1. Each first, second and third class district shall have its own index number, either secured directly from prices or estimated from other prices secured in the region.

2. Each fourth class district within the sphere of influence of first and second class districts shall have an index number based on the nearby larger city. The distances chosen are five miles for second class, and ten miles for first class cities. The differential used should be based upon about one-half the index above the base (100) of the nearby city. If the fourth class district does not have fifteen teacher cost units only a proportional part of this differential should be used.

3. The correction due to the cost of living is applied to the number of teacher cost units. Only three-fourths of the index above 100 (the base) is used because teachers' salaries are approximately three-fourths of, or seventy-five percent of the current expenses of public schools in Pennsylvania. Other school costs do not depend as much as do salary costs upon the cost of living of different communities.

4. The data are reliable because government figures show that very little change on the index or ratios occur among communities from time to time unless an unusual catastrophe occurs in one of the districts. Common sense evaluation of the returns from a district would prevent unlawful or false reports from being carried into State aid. If a district reports much higher on the index than surrounding communities, adjustment can be made easily by the Department of Public Instruction.

5. By this proposal, Pittsburgh, Philadelphia, eighteen second class districts, about 220 third class districts and about 318 fourth class districts would have corrections to the cost of the whole educational program due to the variations in the cost of living.

Dr. Keith, at this point, raised a question relative to corrections for the cost of living as opening up an area of discussion and argument. "Yet if we just guess at the differential cost," Dr. Keith continued, "The result would also be unhappy. We seem to be caught between the devil and the deep blue sea on this matter. How long would ratios for cost of living hold?" Dr. Harry said that the ratios would be relatively stable.

V. The Chairman asked Dr. Burns to continue his discussion of the cost of transportation as a factor in the proposed plan of distribution of State subsidies. Dr. Burns said, in substance, as follows:

"It is the duty of every state to guarantee a minimum program of education for all the children within its confines. When any community is unable to offer this minimum program without the aid of supplementary activities, it becomes the duty of the state to assume the responsibility for the supplementary activities. The transportation of children to school is such an activity, and it is the purpose here to develop an index of transportation which will enable the State of Pennsylvania to distribute the burden of its transportation costs in an equitable manner.

Any index is usually based on average practice. It is, therefore, necessary to discover the average practice of like communities in Pennsylvania with respect to transportation. The transportation load of a community is defined as the number of pupils transported to school weighted in proportion to the distance they travel to school. Like communities are those which are equal in density of school population. The search for an index then resolves itself into the problem of finding a mathematical expression for the functional relation between the two variables (1) transportation load, (2) density of school population, in the counties of Pennsylvania. The derived equation may then be taken as the transportation index for the State of Pennsylvania.

Such an equation was derived and presented as an index of transportation. By the use of this index, it is possible to determine the transportation need for a community of given density of school population. The need for each county is thus determined and the sum of all gives the total transportation need for the whole state. The transportation need determined in this manner is the minimum program of transportation for which the state is responsible. It represents the average practice of all the counties of like density of school population. The state should support the program of transportation up to the level of the minimum program; any county which exceeds this program as defined by the index does so at its own expense. Knowing the cost of one unit of transportation the state will be able to define and limit

precisely its program of transportation from year to year.

A mathematical and statistical foundation for the foregoing paragraphs will be found in a complete report to be presented in detail to the Commission, and accompanied by the necessary charts and tables.

VI. Senator Mansfield raised a question as to what method could be adopted for determining true valuations on a State-wide basis. Dr. Keith replied that at present the State Council is empowered to revise and modily true valuations as reported by secretaries of boards of school directors, and suggested that the function of assessing property for purposes of levying school taxes might very properly be assigned to the new Department of Revenue. The Chairman described at some length the work of the special investigators who are at present investigating, for the State Council of Education, true valuations as reported by the various school districts. Preliminary reports show gross inequalities in the present system of assessment, which will have to be ironed out in order to secure a basis for an equitable distribution of State subsidies to school districts.

VII. Executive Session. It was agreed that a tentative report of the Commission's findings and recommendations would be prepared and presented to the Governor and any other persons whom the Governor might suggest, so that the Commission, in preparing its final report, might have the benefit of the suggestions of such a group. Plan No. 2, First Step only, was tentatively accepted as the basis for the Commission's report, with the understanding that the Legislature, in any bill that may be proposed, would be left free to add successive steps at subsequent sessions of the General Assembly. It was also tentatively agreed that the report should be made up in four parts as follows:

1. General statement of problem.
2. Techniques employed in the study.
3. Special reports on various phases of the study.
4. Table showing operation of plan in case of individual districts.

James N. Rule

JAMES N. RULE,
Secretary

Approved: JOHN A. H. KEITH,
Chairman

PENNSYLVANIA STATE EDUCATION
ASSOCIATION

400 No. Third St.,
Harrisburg, Penna.

January 24, 1928

Executive Council of the
Pennsylvania State Education Association:

In place of section IX. of the minutes of the January 21 meeting, please insert the following:

On motion, properly seconded, the following resolution was adopted by unanimous vote:

WHEREAS, by act of the Legislature a committee composed of members of the State Senate, the House of Representatives, and citizens at large, is making an investigation into the ability of the State to continue to pay the present appropriations to education, and the system of State subsidies to education; and

WHEREAS, any change in the present State appropriations to education may vitally affect the economic status of teachers in Pennsylvania; and

WHEREAS, it has always been the policy of the P.S.E.A. to cooperate in any studies to be made affecting the educational system of Pennsylvania; therefore be it

RESOLVED, That the President of the P.S.E.A. be and hereby is empowered to appoint a special committee whose duty shall be to cooperate with the Legislative Committee appointed by the Governor; to collect data and information bearing upon the ability of Pennsylvania to support education; to suggest better and more adequate support of education; and to suggest a more equitable method of distributing subsidies:

BE IT FURTHER RESOLVED, That the Research Secretary be and hereby is placed at the command of said special committee for the purpose of assisting in collecting and tabulating such data as may be collected.

Very truly yours,

Signed: J. H. KELLEY
J. Herbert Kelley
Executive Secretary

C O P Y

February 23, 1928

Doctor J. H. Kelley
Executive Secretary, P.S.E.A.
400 North Third Street,
Harrisburg, Pennsylvania

Dear Doctor Kelley:

The resolution of the Executive Council of the Pennsylvania State Education Association on January 21, 1928, transmitted by you to Doctor Keith under date of January 24, 1928, was presented to the State Subsidies Commission at its meeting February 22, 1928.

The Commission instructed me to say in reply that the offer of cooperation by the Executive Council in the pending study of State subsidies is appreciated. The Commission, however, feels that since it is a legislative commission and represents the interests of the State as a whole, it must assume, therefore, a judicial attitude toward all groups specifically affected by the study.

The Commission will, however, be glad to receive and consider any data which any interested group may wish to present, bearing upon the subject of the study, and proposes, furthermore, before its final report is presented to the General Assembly, to give all interested groups an opportunity to study the Commission's findings and make such comments and suggestions relative thereto which they may severally wish to present to the Commission for its consideration.

Sincerely yours

James N. Rule, Secretary
State Subsidies Commission

R g

TABLES and CHARTS

Referred to

in the discussion

will be found

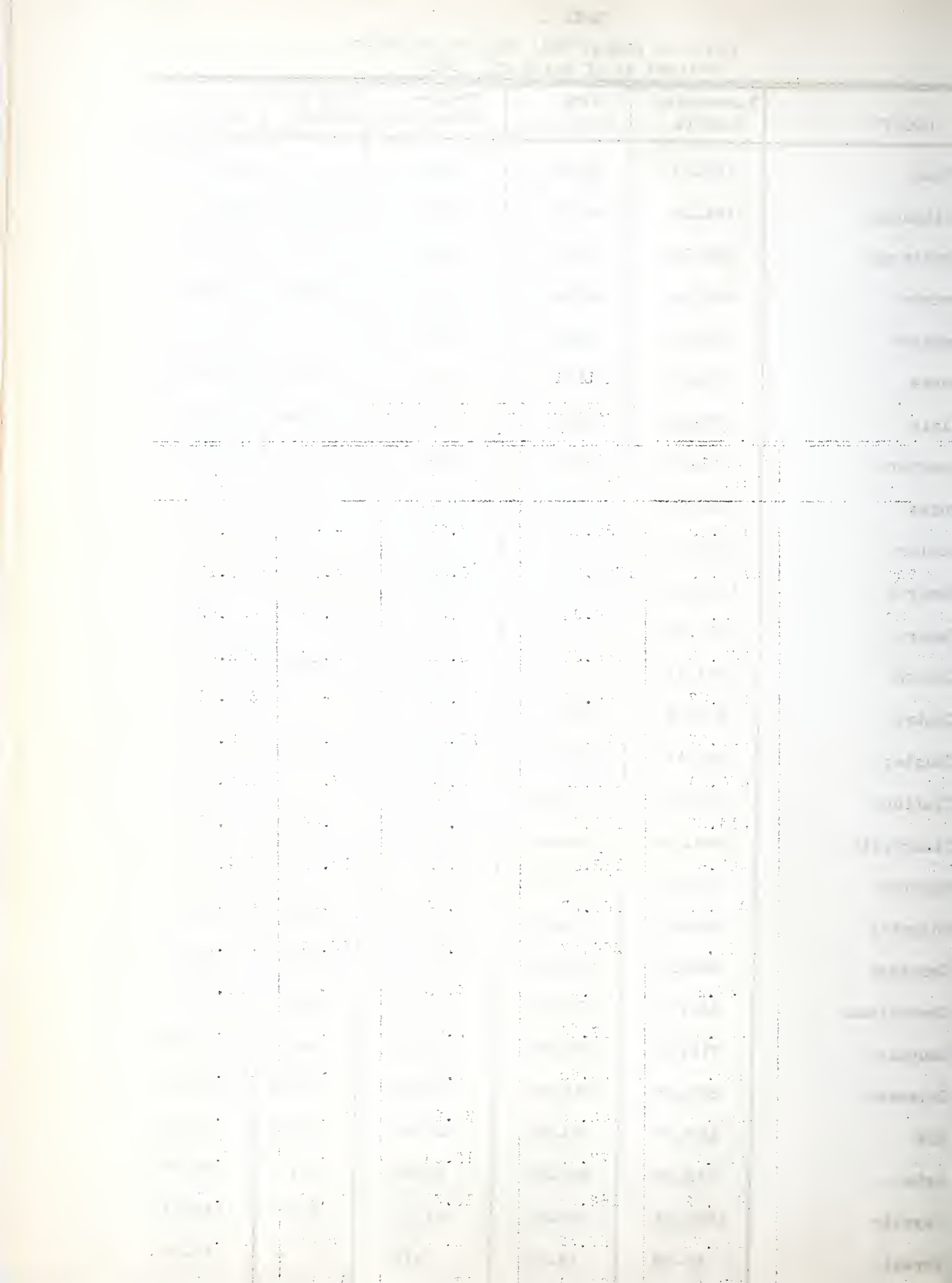
in the

following section

TABLE 1

UNITS OF EDUCATIONAL NEED BY COUNTIES
(Revised as of March 26, 1928)

COUNTY	Elementary Schools	High Schools	Trans-portation	Cost of Living	TOTAL
Adams	193.10	50.42	3.27	-	246.79
Allegheny	5154.25	1726.79	66.06	1053.07	8000.17
Armstrong	505.09	116.94	4.35	10.15	636.53
Beaver	737.98	186.32	4.62	43.40	972.32
Bedford	290.37	56.06	10.48	-	356.91
Berks	990.27	278.45	21.38	82.78	1372.88
Blair	670.84	229.19	5.03	47.44	952.50
Bradford	314.37	106.21	49.99	5.66	476.23
Bucks	460.60	112.66	23.52	17.42	614.20
Butler	464.19	161.37	5.04	6.31	636.91
Cambria	1148.01	306.27	31.20	63.47	1548.95
Cameron	37.20	9.85	4.15	-	51.20
Carbon	334.31	87.16	5.00	14.80	441.27
Centre	288.78	90.65	9.92	-	389.35
Chester	585.76	182.85	38.28	26.98	833.87
Clarion	237.40	77.89	12.04	-	327.33
Clearfield	604.22	162.58	10.31	13.76	790.87
Clinton	174.75	59.32	8.89	5.64	248.60
Columbia	272.65	101.41	13.52	10.84	398.42
Crawford	380.87	139.08	43.11	10.34	573.40
Cumberland	349.73	110.05	5.53	12.29	477.60
Dauphin	713.79	276.59	12.39	68.61	1071.38
Delaware	869.63	262.46	38.84	75.26	1246.19
Elk	167.89	64.38	14.48	3.80	250.55
Erie	743.74	258.69	22.58	58.78	1083.69
Fayette	1252.19	265.96	61.31	69.55	1649.01
Forest	45.48	14.10	6.75	-	66.33
Franklin	368.50	94.53	25.06	3.98	492.07
Fulton	69.92	6.83	2.70	-	79.45
Greene	282.51	54.71	11.57	-	348.79



COUNTY	Elementary Schools	High Schools	Trans-portation	Cost of Living	TOTAL
Huntingdon	278.92	57.16	8.22	2.79	347.09
Indiana	571.54	128.12	10.13	8.02	717.81
Jefferson	371.99	115.04	5.00	3.15	495.18
Juniata	96.08	23.94	3.74	-	123.76
Lackawanna	1623.93	343.67	18.10	224.55	2210.25
Lancaster	889.88	237.76	26.21	39.94	1193.79
Lawrence	568.59	184.80	13.34	31.75	798.48
Lebanon	321.61	94.21	11.02	10.39	437.23
Lehigh	694.26	168.06	25.37	70.96	958.65
Luzerne	2389.38	578.38	43.46	370.71	3381.93
Lycoming	452.83	127.60	10.23	23.80	614.46
McKean	274.85	94.71	13.14	12.53	395.23
Mercer	570.01	196.74	13.68	25.06	805.49
Mifflin	205.52	60.49	4.06	6.61	276.68
Monroe	148.54	48.47	16.20	2.43	215.64
Montgomery	981.90	329.52	68.75	124.10	1504.27
Montour	68.56	16.96	2.33	.41	88.26
Northampton	867.05	217.54	2.93	61.17	1148.69
Northumberland	599.93	200.19	23.64	28.77	852.53
Perry	166.48	47.14	5.40	-	219.02
Philadelphia	6206.59	1333.09	71.27	1545.02	9155.97
Pike	37.27	12.30	12.40		61.97
Potter	128.93	45.54	16.41		190.88
Schuylkill	1218.34	299.31	51.52	85.44	1654.61
Snyder	122.52	26.14	1.99		150.65
Somerset	609.47	116.70	4.45	7.79	738.41
Sullivan	68.27	19.27	3.52		91.06
Susquehanna	229.55	64.88	37.65	3.67	335.75
Tioga	205.42	74.30	40.38		320.10

COUNTY	Elementary Schools	High Schools	Trans-portation	Cost of Living	TOTAL
Union	92.04	28.39	3.39		123.82
Venango	312.21	110.81	19.80	12.33	455.15
Warren	244.66	99.89	21.95	11.84	378.34
Washington	1331.66	302.59	30.81	61.07	1726.13
Wayne	173.03	55.08	21.52		249.63
Westmoreland	1720.75	441.87	23.81	94.36	2280.79
Wyoming	96.20	36.41	16.38		148.99
York	837.84	184.30	2.13	50.99	1075.26
TOTAL	44484.99	12171.04	1275.70	4623.98	62555.71

TABLE 3

PENNSYLVANIA COUNTIES AS AFFECTED BY THREE CLASSES OF STATE SUPPORT

INEQUALITY OF BURDEN - 5%

COUNTY	Present Aid	Required Aid	PLAN I - 4.5 mills No Aid to Wealthiest Districts										Required Aid	PLAN II - 4.0 mills 50% of Present Aid Guaranteed					PLAN III 3.5 mills All of Present Aid Guaranteed Required Aid
			Number of Districts Receiving no Aid					Number of Districts Receiving less Aid						Number of Districts Receiving less Aid					
			Class of District					Class of District						Class of District					
			1	2	3	4	Total	1	2	3	4	Total		1	2	3	4	Total	
Adams	$ $112,576	$ 240,526	-	-	-	2	2	-	-	-	1	1	$ 255,038	-	-	-	2	2	$ 269,548
Allegheny	2,605,735	3,434,038	-	-	5	13	18	1	1	6	19	27	4,418,808	-	-	10	30	40	5,396,371
Armstrong	259,144	662,239	-	-	-	-	-	-	-	-	1	1	694,746	-	-	-	1	1	727,253
Beaver	383,343	704,226	-	-	1	1	2	-	-	1	5	6	787,322	-	-	1	5	6	870,418
Bedford	190,162	447,594	-	-	-	-	-	-	-	-	-	-	457,340	-	-	-	-	-	467,102
Berks	600,917	821,822	-	1	-	1	2	-	-	1	3	4	796,918	-	1	-	5	6	972,207
Blair	340,159	767,724	-	-	-	-	-	-	-	-	-	-	841,156	-	-	-	-	-	914,582
Bradford	365,216	607,642	-	-	-	1	1	-	-	-	7	7	625,910	-	-	-	7	7	645,882
Bucks	279,881	484,700	-	-	-	4	4	-	--	-	5	5	535,270	-	-	-	6	6	585,844
Butler	240,528	560,013	-	-	-	-	-	-	-	-	2	2	603,944	-	-	-	2	2	647,942
Cambria	715,034	1,218,453	-	-	-	6	6	-	1	-	3	4	1,352,578	-	1	-	9	10	1,484,314
Cameron	36,509	64,725	-	-	-	-	-	-	-	-	2	2	66,436	-	-	-	2	2	69,277
Carbon	196,299	305,085	-	-	-	-	-	-	-	2	2	4	344,733	-	-	1	-	1	384,378
Center	207,235	472,891	-	-	-	-	-	-	-	-	-	-	485,242	-	-	-	-	-	497,590
Chester	416,988	573,990	-	-	-	10	10	-	-	1	10	11	662,449	-	-	-	18	18	743,060
Clarion	171,583	374,154	-	-	-	1	1	-	-	-	1	1	387,175	-	-	-	2	2	400,324

COUNTY	Present Aid	Required Aid	PLAN I - 4.5 mills No Aid to Wealthiest Districts — Number of Districts Receiving no Aid — Class of District 1	2	3	4	Total	Number of Districts Receiving Less Aid — Class of District 1	2	3	4	Total	Required Aid	PLAN II-4.0 mills 50% of Present Aid Guaranteed — Number of Districts Receiving Less Aid — Class of District 1	2	3	4	Total	PLAN III 5.5 mills All of Present Aid Guaranteed — Required Aid
Clearfield	378,645	927,701	-	-	-	-	-	-	-	-	-	-	956,438	-	-	-	-	-	985,177
Clinton	124,486	271,728	-	-	-	-	-	-	-	-	2	2	282,970	-	-	-	1	1	294,285
Columbia	230,317	417,437	-	-		1	1	-	-	1	-	1	442,213	-	-	-	1	1	466,989
Crawford	305,166	565,300	-	-	-	1	1	-	-	1	4	5	597,405	-	-	-	4	4	632,502
Cumberland	200,708	420,768	-	-	-	-	-	-	-	-	1	1	453,615	-	-	-	-	-	486,462
Dauphin	439,026	839,503	-	-	-	1	1	-	1	-	1	2	791,692	-	1	-	2	3	894,038
Delaware	588,851	296,124	-	1	4	16	21	-	-	-	13	13	483,188	-	1	4	24	29	723,603
Elk	150,022	264,937	-	-	-	-	-	-	-	1	-	1	277,297	-	-	-	-	-	239,618
Erie	470,981	554,197	-	-	-	-	-	-	1	-	2	3	672,330	-	1	-	2	3	797,311
Fayette	836,026	1,274,374	-	-	2	1	3	-	-	-	3	3	1,419,629	-	-	2	3	5	1,564,384
Forest	47,520	84,134	-	-	-	-	-	-	-	-	-	-	85,843	-	-	-	-	-	87,549
Franklin	213,926	485,936	-	-	-	-	-	-	-	-	-	-	515,955	-	-	-	-	-	541,974
Fulton	41,985	98,574	-	-	-	-	-	-	-	-	-	-	100,861	-	-	-	-	-	105,151
Greene	158,390	119,019	-	-		12	12	-	-	-			176,482	-	-	-	14	14	253,946
Huntingdon	168,349	421,182	-	-	-	-	-	-	-	-	1	1	433,545	-	-	-	1	1	446,549
Indiana	283,018	700,893	-	-	-	-	-	-	-	-	3	3	742,669	-	-	-	1	1	785,000
Jefferson	213,709	561,310	-	-	-	-	-	-	-	-	1	1	581,480	-	-	-	1	1	601,635
Juniata	65,473	152,975	-	-	-	-	-	-	-	-	-	-	156,613	-	-	-	-	-	160,235
Lackawanna	830,997	2,263,783	-	-	-	-	-	-	-	-	5	5	2,379,919	-	-	-	4	4	2,496,305
Lancaster	493,945	649,093	-	1	-	2	3	-	-	-	7	7	781,178	-	1	-	5	6	914,164
Lawrence	300,910	750,799	-	-	-	-	-	-	-	-	-	-	782,683	-	-	-	-	-	854,561
Lebanon	186,131	343,544	-	-	-	1	1	-	-	-	1	1	380,065	-	-	-	1	1	416,579
Lehigh	382,330	869,856	-	-	-	-	-	-	-	-	3	3	755,108	-	-	-	2	2	841,733
Luzerne	1,391,722	2,731,801	-	-	2	1	3	-	1	2	4	7	2,996,360	-	1	1	6	8	3,262,273
Lycoming	275,810	843,130	-	-	-	1	1	-	-	-	1	1	880,987	-	-	-	1	1	918,832
McKean	197,102	314,422	-	-	-	2	2	-	-	1	1	2	347,532	-	-	-	3	3	381,079

COUNTY	Present Aid	Required Aid	PLAN I - 4.5 mills No Aid to Wealthiest Districts: Number of Districts Receiving no Aid 1	2	3	4	Total	Number of Districts Receiving less Aid 1	2	3	4	Total	Required Aid	PLAN II - 4.0 mills 50% of Present Aid Guaranteed: Number of Districts Receiving less Aid 1	2	3	4	Total	PLAN III 3.5 mills All of Present Aid guaranteed: Required Aid
Mercer	$ 319,037	$ 673,866	-	-	-	2	2	-	-	-	1	1	$ 734,164	-	-	-	2	2	$ 794,436
Mifflin	134,525	326,258	-	-	-	-	-	-	-	-	-	-	336,124	-	-	-	-	-	345,981
Monroe	104,591	182,705	-	-	-	1	1	-	-	-	1	1	198,589	-	-	-	1	1	214,464
Montgomery	649,458	516,664	-	-	3	11	14	-	1	1	14	16	746,796	-	1	4	18	23	978,629
Montour	33,148	95,155	-	-	-	-	-	-	-	-	-	-	99,295	-	-	-	-	-	103,427
Northampton	432,430	603,060	-	-	-	3	3	-	2	1	3	6	728,893	-	-	-	6	6	854,839
Northumberland	344,469	752,098	-	-	1	1	2	-	-	-	2	2	814,497	-	-	1	3	4	878,742
Perry	122,951	265,289	-	-	-	-	-	-	-	-	6	6	272,319	-	-	-	-	-	279,339
Philadelphia	2,571,930	-	1	-	-	-	1	-	-	-	-	-	1,285,965	1	-	--	-	1	2,571,930
Pike	45,364	48,528	-	-	-	-	-	-	-	-	-	-	52,739	-	-	-	5	5	61,010
Potter	143,885	245,376	-	-	-	-	-	-	-	-	1	1	249,932	-	-	-	1	1	254,553
Schuylkill	639,619	1,202,509	-	-	1	11	12	-	-	3	6	9	1,367,969	-	-	2	16	18	1,542,763
Snyder	68,591	165,608	-	-	-	-	-	-	-	-	-	-	172,522	-	-	-	-	-	179,030
Somerset	324,160	825,162	-	-	-	1	1	-	-	-	2	2	860,687	-	-	-	3	3	896,441
Sullivan	64,369	121,077	-	-	-	-	-	-	-	-	-	-	122,804	-	-	-	-	-	124,527
Susquehanna	217,623	416,519	-	-	-	-	-	-	-	-	2	2	426,206	-	-	-	2	2	435,867
Tioga	223,399	396,183	-	-	-	1	1	-	-	-	3	3	407,225	-	-	-	4	4	420,693
Union	58,815	123,369	-	-	-	1	1	-	-	-	-	-	130,566	-	-	-	1	1	137,756
Venango	203,555	409,128	-	-	-	-	-	-	-	1	-	1	439,535	-	-	-	-	-	469,919
Warren	198,939	385,084	-	-	-	-	-	-	-	-	1	1	405,360	-	-	-	1	1	425,621
Washington	660,513	1,375,634	-	-	-	8	8	-	-	-	14	14	1,612,152	-	-	-	19	19	1,654,024
Wayne	155,832	279,952	-	-	-	-	-	-	-	-	1	1	292,233	-	-	-	2	2	306,343
Westmoreland	845,478	2,108,539	-	-	-	-	-	-	-	3	3	6	2,254,415	-	-	2	1	3	2,400,254
Wyoming	92,959	210,167	-	-	-	-	-	-	-	-	-	-	211,654	-	-	-	-	-	213,124
York	418,632	944,018	-	-	-	1	1	-	-	-	3	3	1,019,288	-	-	-	1	1	1,094,522
TOTAL	25,022,176	41,067,640	1	3	19	119	142	1	8	26	180	215	46,929,021	1	8	38	251	288	52,875,260

TABLE 4

Selected Districts in Pennsylvania as Affected by Three Plans of State Support

Inequality of Burden - 5 per cent

District	Full Value per Teaching Units in Thousands	Present Aid		Plan I - 4.5 Mills No Aid to Wealthiest Districts		Plan 2 - 4.0 Mills 50% Present Aid Guaranteed		Plan 3 - 3.5 Mills All of Present Aid Guaranteed	
		Total	Per Teaching Unit	Total	Per Teaching Unit	Total	Per Teaching Unit	Total	Per Teaching Unit
Philadelphia	355.9	2,571,950	281	-	-	1,285,965	141	2,571,950	281
Pittsburgh	234.1	1,007,793	282	785,094	220	1,292,580	362	1,800,069	504
Collier Twp	239.1	11,080	493	9,443	424	12,105	544	14,767	664
McKeesport	225.4	122,560	542	177,060	495	217,852	606	257,055	718
Average Community	204.8	-	396	-	578	-	681	-	783
Economy Township	192.2	1,880	376	3,176	655	3,656	731	4,136	827
Sinking Springs	154.6	5,625	472	8,406	706	9,457	794	10,508	882
Summit Twp.	107.3	7,220	401	13,800	767	15,285	849	16,750	930
Oil City	147.4	52,905	588	120,958	837	131,617	910	142,275	984
Kittanning	115.7	21,371	808	68,351	975	72,973	1,033	77,094	1,092
Greencastle	118.2	8,453	445	18,612	977	19,797	1,035	20,826	1,095
Smithfield Township	95.7	2,390	466	6,595	1,069	6,891	1,117	7,186	1,165
So. Fayette Township	73.8	14,568	222	75,302	1,144	77,908	1,183	80,514	1,223
Bedford	70.4	14,553	531	29,622	1,183	30,504	1,218	31,386	1,253
Coudersport	61.1	16,115	653	28,852	1,223	29,579	1,253	30,306	1,284
Catherine Twp.	54.6	2,923	376	9,757	1,254	9,970	1,281	10,182	1,309
Curwensville	52.3	16,551	427	40,044	1,262	40,833	1,289	41,722	1,316
Shippensville	46.3	8,954	464	10,998	1,291	11,196	1,314	11,394	1,337
Canton	37.1	15,965	794	31,854	1,333	32,293	1,351	32,742	1,370
Loganton	20.8	3,908	613	6,733	1,409	6,732	1,419	6,830	1,429

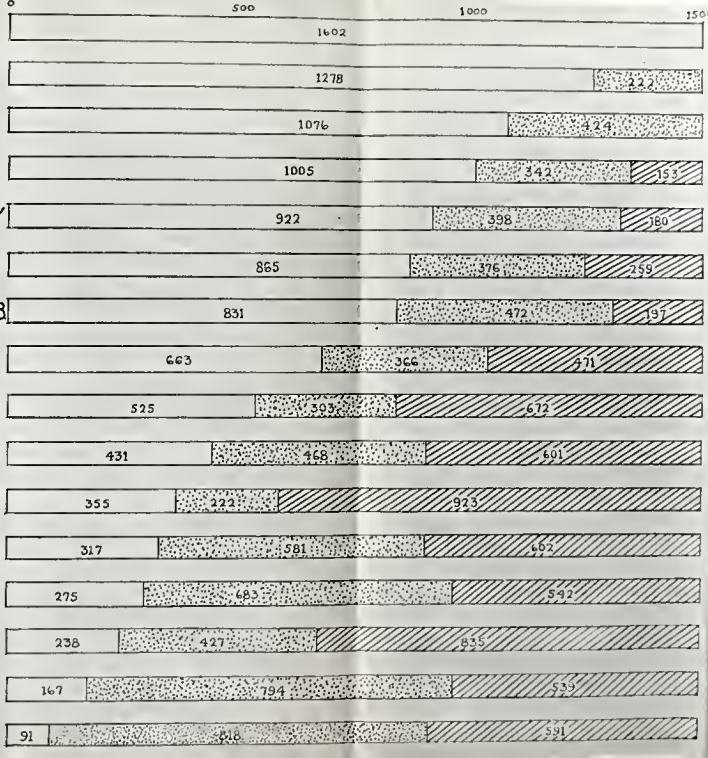


CHART I

PLAN I

LOCAL RATE – 4.5 MILLS

NO AID TO WEALTHY DISTRICTS

Legend

Raised Locally

Present State Aid

Added Aid

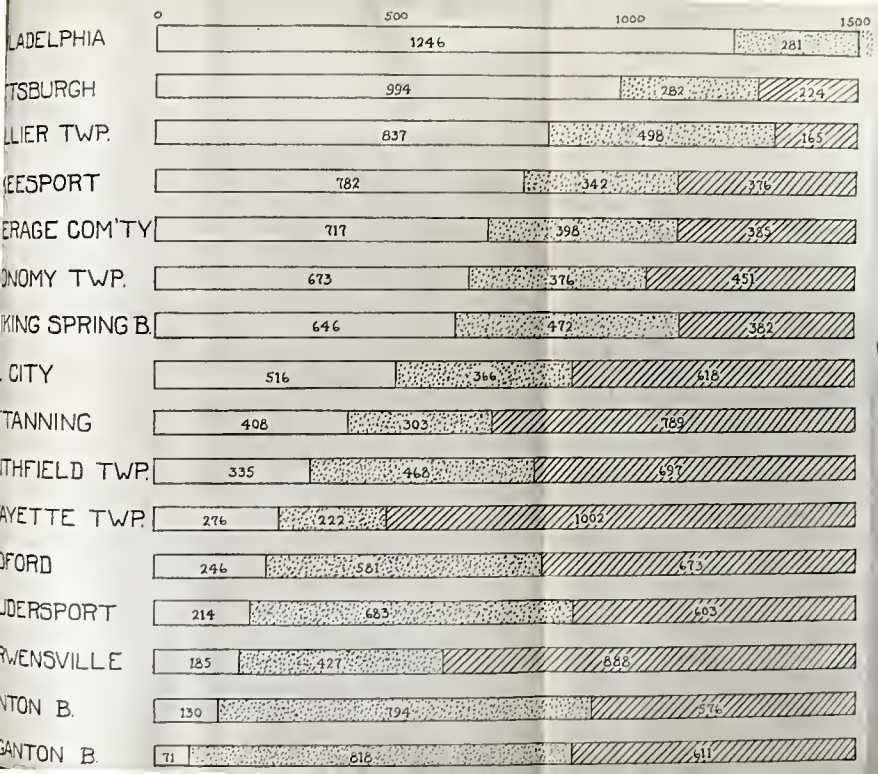


CHART II

PLAN III

LOCAL RATE – 3.5 MILLS

NO DECREASE IN AID

Legend

Raised Locally

Present State Aid

Added Aid

$1500 PROGRAM - 4.5 MILL LOCAL RATE

PLAN 1 BASIS

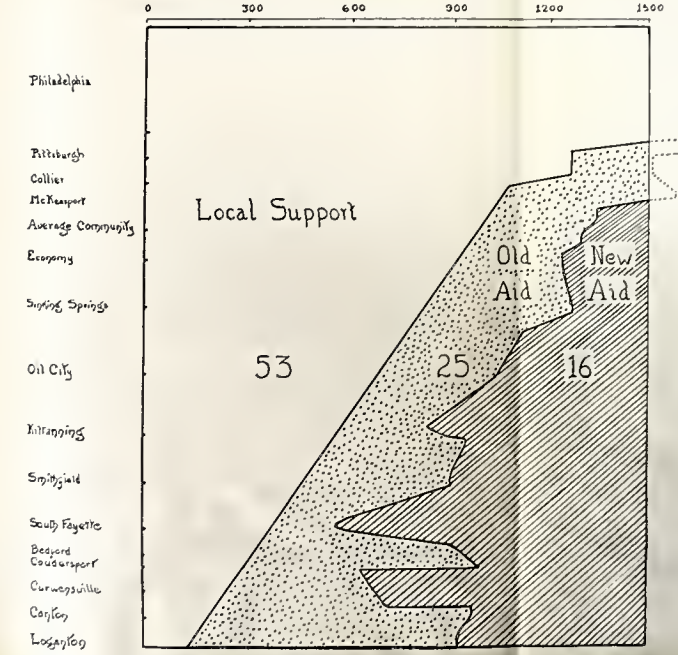


CHART III

Proposed Plan to Equalize a $1500 Minimum Program per Unit of Educational Need

Total Cost of Program	$94,000,000
Local Contribution	53,000,000
Present State Aid	25,000,000
New State Aid	16,000,000

$1500 PROGRAM
3.5 MILL LOCAL RATE

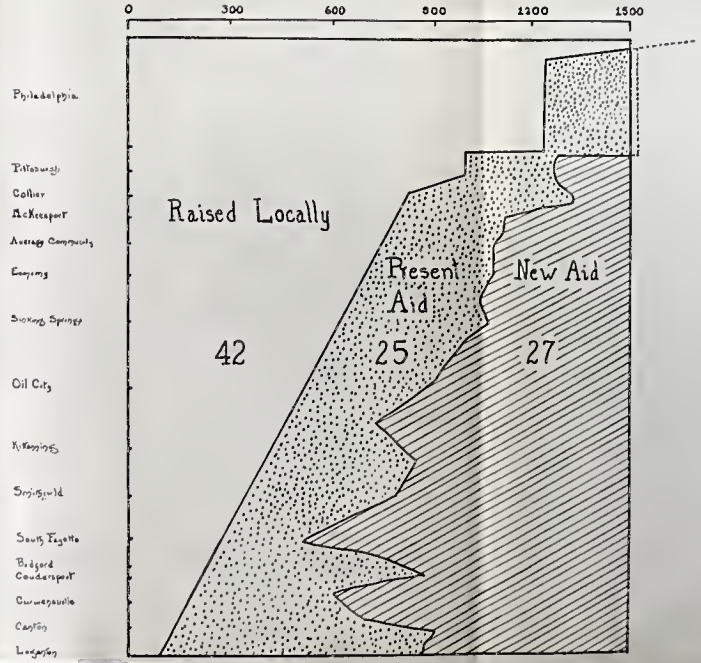


CHART IV

Proposed Plan to Equalize a $1500 Minimum Program per Unit of Educational Need

Total Cost of Program	$94000,000
Local Contribution	42000,000
Present State Aid	25000,000
New State Aid	27,000,000

$1500 PROGRAM- 35 MILL LOCAL RATE
SIX STEPS

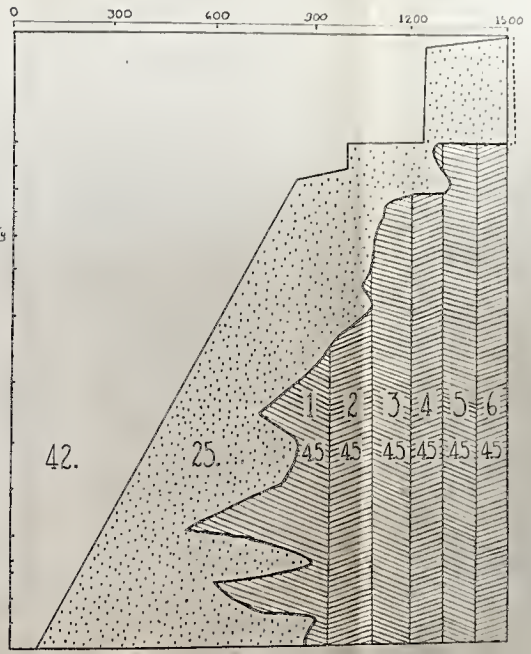
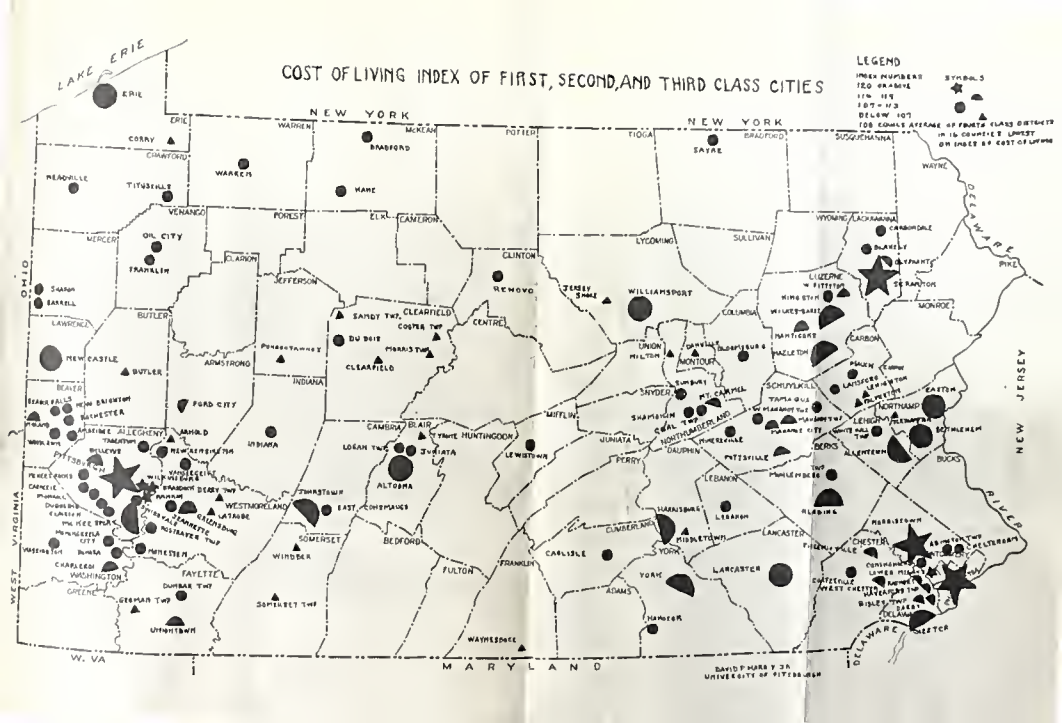


CHART V

New State Aid $27,000,000
New Aid Made Available in Six Steps

Each Step $4,500,000

Step 1 $950 Minimum
Step 2 1075 Minimum
Step 3 1200 Minimum
Step 4 1300 Minimum
Step 5 1400 Minimum
Step 6 1500 Minimum


COST OF LIVING INDEX OF FIRST, SECOND, AND THIRD CLASS CITIES
LEGEND
INDEX NUMBERS
120 OR ABOVE
114-119
107-113
BELOW 107
100 EQUALS AVERAGE OF FOURTH CLASS DISTRICTS IN 16 COMPARED UNITS ON INDEX OF COST OF LIVING
SYMBOLS
LAKE ERIE
OHIO
WEST VIRGINIA
NEW YORK
NEW JERSEY
DELAWARE
MARYLAND
W. VA
ERIE
CORRY
WARREN
BRADFORD
McKEAN
POTTER
TIOGA
SAYRE
BRADFORD
SUSQUEHANNA
WAYNE
PIKE
MEADVILLE
TITUSVILLE
WARREN
VENANGO
FOREST
ELK
CAMERON
OIL CITY
FRANKLIN
CLARION
JEFFERSON
CLINTON
LYCOMING
SULLIVAN
WYOMING
LACKAWANNA
CARBONDALE
SCRANTON
MERCER
SHARON
FARRELL
BUTLER
LAWRENCE
NEW CASTLE
BUTLER
ARMSTRONG
INDIANA
CLEARFIELD
SANDY TWP, CLEARFIELD
DU BOIS
CENTRE
REMOVO
JERSEY SHORE
WILLIAMSPORT
LUZERNE
WILKES-BARRE
HANOVER
NANTICOKE
HAZLETON
CARBON
MONROE
BEAVER
BEAVER FALLS
NEW BRIGHTON
ROCHESTER
ALLEGHENY
PITTSBURGH
McKEESPORT
DUQUESNE
CARNEGIE
BELLEVUE
AVALON
MT. LEBANON
WHITEHALL
BALDWIN
WASHINGTON
CANONSBURG
CHARLEROI
FAYETTE
UNIONTOWN
GREENE
GERMAN TWP
DUNBAR TWP
SOMERSET
SOMERSET TWP
WINDBER
CAMBRIA
BLAIR
JOHNSTOWN
ALTOONA
LORAIN TWP
JUNIATA
BEDFORD
FULTON
HUNTINGDON
MIFFLIN
LEWISTOWN
UNION
MILTON
MONTOUR
DANVILLE
SUNBURY
SNYDER
SHAMOKIN
MT. CARMEL
NORTHUMBERLAND
SCHUYLKILL
TAMAQUA
PINE GROVE TWP
PINEGROVE
PORT CARBON
PALO ALTO
LANSFORD
LEHIGH
NORTHAMPTON
EASTON
BETHLEHEM
PERRY
DAUPHIN
HARRISBURG
MIDDLETOWN
CUMBERLAND
CARLISLE
YORK
ADAMS
HANOVER
FRANKLIN
WAYNESBORO
LEBANON
PITTSFIELD
BERKS
READING
LANCASTER
LARKSVILLE
BUCKS
MORRISTOWN
CHESTER
PHILADELPHIA
DELAWARE
SEXTER
DAVID P. HURLEY JR.
UNIVERSITY OF PITTSBURGH

Minutes of a Meeting of the Legislative Commission
Authorized by Act 397, 1927 to Study the Distribution of State
Subsidies to School Districts

April 5, 1928

The meeting was called to order at 9:30 A. M. by Superintendent John A. H. Keith, Chairman.

I. Attendance

1. Commission

a. Present

Dr. Keith
Senator Roberts
Mrs. Pitts
Mr. Turner
Mr. Himes
Mr. Jones
Mr. Jobson
Mr. Sell

b. Absent

Senator Mansfield
Senator Norton

2. Department of Public Instruction

Mr. Crosley
Mr. Gayman
Mr. Shaw
Dr. Rule, Secretary

3. Special Assistants

Dr. Mort

II. Dr. Mort reviewed briefly reasons for considering a revision of the present system of distributing state subsidies and the progress of the study to date with tentative conclusion reached.

III. Mr. Gayman presented a map of the State showing, by means of different colored pins, the widely varying rates of assessment reported by school districts. The indicated range was from 30% to 100%.

IV. Mr. Shaw presented a suggested outline fro Chapter V covering a statement of the mandated program. (See Exhibit No.1, attached hereto) There was a general discussion of the extent to which it is advisable for the state to prescribe specific standards as a basis or condition of state reimbursement.

V. Dr. Mort presented a preliminary draft of an equalization bill. (See Exhibit No.2, attached hereto)

VI. Dr. Keith reviewed the outline of the Commission's report chapter by chapter. It was agreed that all findings and recommendations shall, for the time being, be considered tentative and confidential. As each chapter is prepared, a copy will be sent to each member of the Commission for his advance review and criticism. The complete tentative report will then be presented to the Governor and his advisers, to school directors, legislators and organizations and individuals generally all over the state interested in this problem , so that there may be the widest possible discussion and consideration by the public of the proposed report. Meetings should be organized in every county for the presentation and discussion of the plan.

VII. Dr. Keith presented a tentative draft of Chapter III. (See Exhibit No. 3 attached hereto)

The meeting adjourned at 1:00 P.M. to meet again on Tuesday, May 22 at 9:30 A.M. in the office of the Superintendent of Public Instruction, Harrisburg.

James N. Rule

James N. Pule
Secretary

Approved

John A. H. Keith

Chairman

CHAPTER V

PENNSYLVANIA'S MINIMUM PROGRAM OF EDUCATION

(Tentative)

An analysis of the reponsibility of the State for education, as discussed in the preceding chapter, summarizes the duty of the State as follows:

1. To define a minimum program of education to be equalled or exceeded by every community in the State
2. To so arrange that the burden of financing such a program is equitably distributed according to the tax-paying ability of the people in all localities
3. To so provide for the control and financing of public schools that localities will be given the necessary control, taxing power and other encouragement to permit them to offer a more adequate program of education than the State itself requires.

The preceding chapter deals with the financial aspects of these three points. It develops an index of the cost of an equivalent minimum program of education in all localities, and proposes a financing plan that will distribute the burden of the minimum program of education in an equitable manner, without exhausting the local tax sources reasonably available for the support of education. This leaves to the present chapter the inquiry into

1. The adequacy of the present educational requirements to insure as good an educational program to every boy and girl in Pennsylvania as can be purchased with the financial arrangements proposed.

2. The adequacy of present arrangements for the local control of education to insure the proper use of the power given localities to offer a more adequate program of education than the State requires.

EXHIBIT NO. I

Suggested Outline of Chapter V

A Introductory Statement

B Organization of Local School Districts
   1 Minimum size
   2 Provisions for professional leadership in administration and in supervision - including relationship to county services

C Standards for a Fifteen-hundred-dollar Educational Program
   1 Elementary schools
   2 Secondary schools (including vocational)
   3 Special education
   4 Adult education
   5 Transportation of pupils
   6 School libraries
   7 School consolidation
   8 The school health program
   9 Teacher salary schedules
  10 Attendance
  11 School records and child accounting procedure
  12 Housing
  13 Supervision
  14 Accounting

D Summary of Proposed Changes to insure a Fifteen-hundred-dollar Program

   1 Changes that should be made by changing present mandatory legislation or enacting new mandatory legislation
   2 Changes that might well be made through requirements for participation in the equalization fund

E Standards Corresponding to a Thousand-dollar Program

   Note - This section should give the changes in present standards that should be made in case the General Assembly provides for only one or two steps towards the fifteen-hundred-dollar program.

Two types of requirements are considered in the study of these problems:

1 Requirements governing the organization of the local district for offering the minimum program and for exercising power to exceed the minimum program.

2 Standards defining the nature of the educational opportunities to be included in the States minimum program and the provisions for local administration and supervision of this program..

EXHIBIT NO. 2

PRELIMINARY DRAFT OF EQUALIZATION BILL

Section 1210

19A. In addition to aid to school districts provided by the Act of May 18, 1911, P.L.309, with the supplements and amendments thereto, there shall be apportioned and paid to school districts the amount determined by the Superintendent of Public Instruction as hereinafter provided. The apportionment to each district shall be determined as follows: For each of the years beginning the first Monday of July 1929, 1930, 1931, 1932, and 1933, the sum of $925, $1075, $1200, $1300, and $1400, respectively, shall be allowed for each elementary teaching unit and the sum of $1110, $1290, $1440, $1560, and $1680, respectively, shall be allowed for each high school teaching unit. In the year beginning the first day of July 1934 and each year thereafter the sum of $1500 shall be allowed for each elementary teaching unit, and the sum of $1300 for each high school teaching unit. There shall be deducted from the amount so allowed for elementary teaching units and high school teaching units in the public schools of each district the total of all other State and Federal aid paid to such school districts for the year for which the apportionments authorized by this act are made, plus an amount equivalent to $3.50 on each thousand dollars of full valuation of taxable property within such district. The balance remaining after such deduction, if any, shall be apportioned and paid to each such school district in the same manner and at the same time as are other apportionments for schools provided under this section.

The number of elementary and high school teaching units which is made the basis of the distribution of the equalization subsidies as herein provided shall be determined by the Superintendent of Public Instruction in the following manner:

In a school having an average daily attendance of 100 or more in grades one to eight, inclusive, one elementary teaching unit shall be counted for each thirty-two resident and non-resident pupils in average daily attendance. In a school having an average daily attendance of less than 100 in grades one to eight, inclusive, two elementary teaching units shall be counted for the first fifty-five resident and non-resident pupils and one elementary teaching unit for each forty resident and non-resident pupils in excess of fifty-five, provided that a one teacher school, approved by the State Council of Education as a necessary organization, shall be counted as one elementary teaching unit regardless of its average daily attendance.

In schools having an average daily attendance of 200 or more in grades nine to twelve, inclusive, one high school teaching unit shall be counted for each twenty-three resident pupils in average daily attendance. In schools with seventy or more, but fewer than 200 pupils in average daily attendance, four high school teaching units should be counted for the first sixty-nine resident and non-resident pupils in average daily attendance and one high school teaching unit for each additional twenty-eight resident and non-resident pupils in average daily attendance in excess of sixty-nine. In schools with fewer than seventy pupils in average daily attendance in grades nine to twelve, inclusive, two high school teaching units shall be counted for the first twenty-three resident and non-resident pupils in average daily attendance, and one high school teaching unit for each additional twenty-three resident and non-resident pupils in average daily attendance in excess of twenty-three.

In schools having enrollment above the elementary grades in grades nine, ten, and eleven only, the number of high school teaching units computed according tothe above plan shall be reduced by one-fourth. In schools having enrollment above the elementary grades in grades nine and ten only, the number of high school teaching units computed according to the above plan shall be reduced by one-third.

To compute the number of elementary teaching units to be counted on account of expenditures for approved transportation of elementary or high school pupils, the total current expenditures for the transportation of pupils under the rules and regulations to be adopted by the State Department of Public Instruction shall be divided by $1500. The result shall be added to the number of elementary teaching units computed on the basis of average daily attendance. The regulations for the approval of transportation shall take into consideration the effect on the cost of transportation of sparsity of population and other conditions reasonably beyond the control of the local district.

The number of elementary teaching units and high school teaching units thus determined shall, in the case of first, second and third class districts, and in the case of fourth class districts in close proximity to first and second class districts, be multiplied by a factor to be determined by (1) the relative cost of living in such districts as compared with the cost of living in those counties of the State in which the cost of living is lowest and (2) the proportion of the current expenses devoted to salaries.

If the number of elementary teachers or high school teachers employed is less than the number of teaching units as computed from the average daily attendance and, in the judgment of the State Superintendent of Public Instruction, adequate provision is not being made for the instruction of pupils, the State Superintendent of Public Instruction may, at his discretion, for the purpose of this act, use the actual number of teachers employed or any intermediate number between such actual number and the number of teaching units as computed from the average daily attendance. In order that the ratios to be used in determining the number of elementary and high school teaching units from average daily attendance figures may be kept representative of actual conditions in the State,

after the first Monday in July 1933, the State Department of Public Instruction may from time to time adopt rules changing these ratios.

In order to participate in any appropirations made in accordance with the provisions of this act, a school district must be prepared to offer the minimum educational program, provision for the equalization of which is made in this act. For the purpose of this act, the State Council of Education shall set reasonable minimum standards for the organization, administration, and supervision of school districts; for employment of trained teachers under approved salary schedules; for school attendance; for secondary school facilities of a general, college preparatory, and vocational nature, for care of mentally and physically handicapped children; for transportation of pupils, for school libraries, for extension education and for the program of school health. The State Council of Education is hereby empowered to provide a schedule upon which a part of the equalization aid may be granted to communities which do not fully attain the standards established in any or all of these fields. In the development of such a schedule, the State Council of Education shall, as nearly as feasible, provide that failure to meet standards shall result in the reduction of State aid by an amount sufficient to entirely support the standard in question.

The amount apportioned to any district under the provisions of this act shall not be greater than the excess of the total current expenditures for school purposes in such district above the aggregate of the amount which would result from a tax of thirty-five mills on the full valuation of the taxable property in such district and all other State and Federal aid apportioned to such district.

CHAPTER III

DISTRIBUTION OF SUBSIDIES TO SCHOOL DISTRICTS IN PENNSYLVANIA

Introductory

The historical development of the distribution of State subsidies over almost a century shows the latter to have been responsive to the increasing demands of an expanding public education. The first State Subsidy for public school purposes* was given to those counties that accepted the Free School Act of 1934. The whole history of changes since that time consists of efforts to bring the system of State Subsidies into harmony with the prevailing idea of the State's responsibility for assuring equality of educational opportunity. The Constitution of 1874 required that:-

> "The General Assembly shall provide for the maintenance and support of a thorough and efficient system of public schools, wherein all the children of the Commonwealth above the age of six years may be educated and shall appropriate at least one million dollars for this purpose."

State money was first distributed on taxables. In 1897, after more than forty years of periodic discussion of the fact that such a system unduly favored the wealthier districts, a change was made. Those who advocated that the State should take the needs of the schools more carefully into consideration were successful in having two-thirds of the funds distributed upon the basis of teachers and pupils. Ten years later (1907) the method of distributing funds went a step farther in that it introduced the plan of reimbursing districts on the basis of a minimum salary. In 1911 distribution based upon taxables was entirely eliminated.

The laws of 1919 and 1923 developed the minimum salary principle further and took the added step of paying relatively more to the less able districts than to the more able districts.

---

*See History of the Distribution of State Subsidies for Education in Pennsylvania, Chapter VI of this report. Aid to Colleges and Academies preceded aid to public Schools.

It is clear that not only in the Constitutional provisions for education but in the legislation for free schools from the very beginning, the problem of providing a "thorough and efficient system of public schools" has been tied up with the problem of State subsidies.

Ideas Dominant in the History of the Pennsylvania Subsidies System

In the historical development of the system of State subsidies, three ideas were dominant:-

(1) The system of subsidies was related to the maintenance and support of a "thorough and efficient system of public schools wherein all of the children of the Commonwealth above the age of six years may be educated."

(2) The system of subsidies took into partial consideration the ability of districts to support education.

(3) While State participation in school support was for the purpose of insuring a thorough and efficient system of schools, there was no intent to withhold from districts the right and tax power to offer a more thorough and efficient system than the State required.

The State's Responsibility for Education

After consideration of these points, the Commission believe that the State's responsibility for equalizing educational opportunity may be summarized as follows:

(1) The State has the duty of defining an educational program of sufficient breadth and inclusiveness to insure to every child in the State, over the age of six, an educational opportunity which, in the light of current demands upon the individual, may be justly considered thorough and efficient.

(2) It is the State's duty to provide for the financing of such a program of education in such a manner that the burden of support shall fall upon the people in all localities in accordance with their ability to pay taxes.

(3) The State shall not hinder any local district from offering a more adequate educational program than the State itself requires, but shall set up conditions favorable to such development.

How Pennsylvania has met its Responsibility with Regard to a Minimum Program

A study of the State's requirements for education as set up in the statutes shows that the State has gone a long way in the first of these steps--the definition of a minimum program.* Salaries of teachers are so mandated that in first and second class districts it is impossible to maintain schools for much less than $1500 for an elementary teacher unit. High School facilities are available to most of the children in the State. With but few exceptions, school attendance in mandatory. There are laws requiring the special treatment of handicapped children. Basal to all of this are provisions relating to subjects that must be studied, length of term, et cetera.

The State has obviously gone a long way in providing for a thorough and efficient system of schools adapted to changing conditions. Nevertheless equality of educational opportunity has not been fully achieved. A number of the desirable standards set up in the law are not universally operative. Children living two or more miles from school may be kept out of school. The handicapped children living in a large district are cared for, while those living in small districts are frequently neglected. Boys and girls living in a district having a population of 5000 are offered an educational program costing no less than $1500 per elementary teacher unit. A boy or girl living in a smaller district may not be able to secure an education costing more than $1000 per elementary teacher unit. Boys and girls living in a community maintaining a high schcol have secondary school facilities readily at hand. Those living in

* A detailed treatment of the legislation defining the State's program of education is given in Chapter V of this report.

small districts may have to go long distances at their own expense for transportation, or may permit the strangeness of a foreign situation to keep them from enrolling in a high school. The Commission believes that an adequate treatment of the problem of financing education in Pennsylvania must take into consideration these obvious violations of the intent of the Constitution that a "thorough and efficient system of public schools" shall be made available to every boy and girl irrespective of the place of his or her residence.

How Pennsylvania has Met its Responsibility with Regard to Financing Schools

The Commission's investigation of the justice involved in the present system of State support, showed that the system of State support now in operation, while obviously a great step over the plans previously used, works injustice to many individual communities. The present system, by measuring the extent of the program in a community by means of the number of teachers employed, has to an extent the defects decried by Superintendent Black in 1854.* It tends to favor the able district that by its own efforts provides a more liberal number of teachers than the average community and, in addition, ignores in too large a degree the problem of transporting pupils. It ignors the varying costs of living. Finally, it does not take into consideration the enormous variations in financial ability that exist within districts. As a result, there are many districts that must tax themselves at an unreasonable rate in order to meet the State's requirements. A program similar to that demanded in third class districts and above requires in some districts many times the local effort that is required in others. Table 1 shows the variation in local effort necessary to offer such a program. One hundred districts are shown. They were obtained by selecting every twenty-fifth district from a list in which

*Reported in Chapter VI of this report.

all districts were arranged according to local tax paying ability. From this Table it may be seen that it would require more than 25 times as much effort to support a $1500 educational program in some districts as in others. More than half of the districts shown in this Table would be required to carry a burden more than double that which would be required of the district with average ability to support schools.

TABLE I

RATE ON FULL VALUE OF PROPERTY NECESSARY UNDER PRESENT CONDITIONS TO SUPPORT A $1500 PROGRAM OF EDUCATION

One Hundred Pennsylvania School Districts*

Necessary Rate in Mills	Number of Districts Out of 100
0- .9	0
1- 1.9	2
2- 2.9	2
3- 3.9	6
4- 4.9	3
5- 9.9	27
10-14.9	26
15-19.9	19
20-24.9	7
25-29.9	3
30-34.9	2
35.0-39.9	0
40.0-44.4	2
Total	100

Lowest Rate 1.6 mills
Middle Rate 12.0 mills
Highest Rate 42.2 mills

Average for entire State 5.4 mills

* These districts represent every 25th district selected from a list of all of the districts in the State arranged according to their full valuation of property per unit of educational need.

These figures were obtained by figuring the cost of a $1500 program of education on an equitable basis, subtracting the present State aid, and then finding what local tax would be necessary to provide the remainder, local tax being based upon full value of property.

How Pennsylvania has Met its Responsibility to Provide for Local Progress Beyond the State Minimum

The third point - providing for local progress beyond the State's requirements - is likewise in need of attention. While the State has theoretically left to communities the right to offer a better educational program than the State requires, it has in many instances effectually destroyed this right by requiring that the locality use all of the taxing power that the State may reasonably expect of it in reaching the State's minimum requirements. This is clear from Table I. A district that must tax itself an equivalent of 10, 15, or 20 mills on full value of property in order to reach an acceptable minimum of education may hardly be expected to tax itself much more, even though its regard for education may be high.

The State has destroyed the possibility of progress beyond the State minimum program by permitting a type of local organization fitted to a simpler era, to continue to a time when it is no longer adequate. A local district should embrace at least sufficient territory and population to provide high school facilities and trained local leadership. There are at present 1545 districts in the State which do not provide high school facilities except by contract with other districts. There are 119 districts which employ but one teacher. There are more than 2000 other districts that employ no more than 25 teachers. Most of such districts cannot offer adequate high school facilities, and in rare instances only can they employ trained leadership.

The Development of a Plan for the Equitable Distribution of State Subsidies

The task faced by the Commission resolves itself into the problem of formulating the plan for the equitable financing of a satisfactory minimum program without utilizing the total taxing ability of the localities. One phase of this problem is the setting up of conditions that will guarantee the offering of the program thus financed, and also the utilization of the taxing power left to the localities to enable them to progress beyond the minimum program.

The Commission instructed its staff to develop a plan that would provide for the financing of an equivalent minimum program of education in all communities with the burden distributed upon the people in all localities according to their tax-paying ability. (The plan developed is given in Chapter IV.)

The first step in formulating this plan was the development of an index of cost of an equivalent minimum program of education in all types of districts. Such an index was obtained by using the number of pupils attending school. In large schools, 32 pupils in average daily attendance in an elementary school are taken as an elementary teacher unit. Since high school classes are smaller, 23 high school pupils are taken as constituting a high school teacher unit. These are average figures for the large schools throughout the State. Since in Pennsylvania the maintenance cost per teacher unit in high schools in approximately 20% higher than in elementary schools, each high school teacher unit was then counted as 1.20 elementary teacher units. In other words, 10 high school teacher units are equivalent in cost to 12 elementary teacher units. Since, in smaller schools, the classes are smaller,

the index provides for counting a smaller number of pupils in such schools
the index provides for counting a smaller number of pupils in such schools
or equivalent to a teacher unit. The standards developed are based on the prevailing practices in Pennsylvania.

This provided for an index of the cost of maintenance of all those aspects of education that may be thought of as proportional to the number of classrooms, or teachers. It includes teachers' salaries, janitors' wages, cost of supervision and administration, cost of special classes, cost of equipment, cost of fuel, etc. There remained two important factors to be considered: variations in cost of living and variations in cost of transportation.

The present law gives some consideration to cost of living. The State salary schedule is higher for first class districts than for other districts. This is only a rough correction. The Commission's staff applied a refined correction that provides for the increase of the number of teacher units in proportion to the relative cost of living in the community. For example, where the cost of living is 20% higher than in the low priced areas of the State, the part of the index that has to do with salaries (approximately $\frac{3}{4}$) was increased by this percentage. The index for the City of Philadelphia, for example, is increased 20% in this manner. In other words the final index allows Philadelphia $1800 to support a program costing $1500 in the low priced areas of the State. This index is applied individually to all first, second and third class districts, and to fourth class districts in the zones of influence of first and second class districts.

The present law gives consideration to the cost of transportation under certain conditions. The State participates in the support of about two-thirds of all of the transportation projects.* A just treatment of trans-

*As measured by total cost - not number of projects.

portation is to consider it as a necessary part of the cost of offering a minimum program. The plan developed for correcting the index of the cost of the minimum program proposes that the cost of approved transportation be considered in computing the cost of the minimum program, up to a limit determined by the present practice in the State for counties of like transportation density.

The final index of the cost of a minimum program includes elementary teacher units, high school teacher units, and trasportation and cost of living corrections, all reduced to equivalents of an elementary teacher unit. Those units are referred to as units of educational need. Such units were computed for every district in the State. Some idea of how the various factors differ amoung communities is given by Table II which shows the number of units for each county in the State. The availability of such units made it possible for the Commission to consider readily the cost of different programs. For example, the cost of $1500 minimum program in a community is obtained by multiplying the number of units of educational need by $1500. This gives the cost of elementary schools, high schools, supervision, administration, trasportation and a correction for the cost of living, corresponding to a current expense of $1500 per elementary teacher unit in a low price community.

TABLE II

TABLE II

UNITS OF EDUCATIONAL NEED BY COUNTIES
(Revised as of March 26, 1923)

COUNTY	Elementary Schools	High Schools	Trans-portation	Cost of Living	TOTAL
Adams	193.10	50.42	3.27	-	246.79
Allegheny	5154.25	1726.79	66.06	1053.07	8000.17
Armstrong	505.09	116.94	4.35	10.15	636.53
Beaver	737.98	186.32	4.62	43.40	972.32
Bedford	290.37	56.06	10.48	-	356.91
Berks	990.27	278.45	21.38	82.78	1372.88
Blair	670.84	229.19	5.03	47.44	952.50
Bradford	314.37	106.21	49.99	5.66	476.23
Bucks	460.60	112.66	23.52	17.42	614.20
Butler	464.19	161.37	5.04	6.31	636.91
Cambria	1146.01	306.27	31.20	63.47	1548.95
Cameron	37.20	9.35	4.15	-	51.20
Carbon	334.31	87.16	5.00	14.80	441.27
Centre	288.78	90.65	9.92	-	389.35
Chester	585.76	182.85	58.28	26.98	833.87
Clarion	237.40	77.39	12.04	-	327.33
Clearfield	604.22	162.58	10.31	13.76	790.87
Clinton	174.75	59.32	8.89	5.64	248.60
Columbia	272.65	101.41	13.52	10.84	398.42
Crawford	380.87	139.08	43.11	10.34	573.40
Cumberland	349.73	110.05	5.53	12.29	477.60
Dauphin	713.79	276.59	12.39	68.61	1071.38
Delaware	869.63	262.46	38.84	75.26	1246.19
Elk	167.89	64.38	14.48	3.80	250.55
Erie	743.74	258.69	22.58	58.78	1083.69
Fayette	1252.19	265.96	61.31	69.55	1649.01
Forest	45.48	14.10	6.75	-	66.33
Franklin	368.50	94.53	25.06	3.98	492.07
Fulton	69.92	6.83	2.70	-	79.45
Greene	282.51	54.71	11.57	-	348.79

COUNTY	Elementary Schools	High Schools	Trans-portation	Cost of Living	TOTAL
Huntingdon	278.92	57.16	8.22	2.79	347.09
Indiana	571.54	128.12	10.13	8.02	717.81
Jefferson	371.99	115.04	5.00	3.15	495.18
Juniata	96.08	23.94	3.74	-	123.76
Lackawanna	1623.93	343.67	18.10	224.55	2210.25
Lancaster	889.88	237.76	26.21	39.94	1193.79
Lawrence	568.59	184.80	13.34	31.75	798.48
Lebanon	321.61	94.21	11.02	10.39	437.23
Lehigh	694.26	168.06	25.37	70.96	958.65
Luzerne	2389.38	578.38	43.46	370.71	3381.93
Lycoming	452.83	127.60	10.23	23.80	614.46
McKean	274.85	94.71	13.14	12.53	395.23
Mercer	570.01	196.74	13.68	25.06	805.49
Mifflin	205.52	60.49	4.06	6.61	276.68
Monroe	148.54	48.47	16.20	2.43	215.64
Montgomery	981.90	329.52	68.75	124.10	1504.27
Montour	68.56	16.96	2.33	.41	88.26
Northampton	867.05	217.54	2.93	61.17	1148.69
Northumberland	599.93	200.19	23.64	28.77	852.53
Perry	166.48	47.14	5.40	-	219.02
Philadelphia	6206.59	1333.09	71.27	1545.02	9155.97
Pike	37.27	12.30	12.40		61.97
Potter	128.93	45.54	16.41		190.88
Schuylkill	1218.34	299.31	51.52	85.44	1654.61
Snyder	122.52	26.14	1.99		150.65
Somerset	609.47	116.70	4.45	7.79	738.41
Sullivan	68.27	19.27	3.52		91.06
Susquehanna	229.55	64.88	37.65	3.67	335.75
Tioga	205.42	74.30	40.38		320.10

COUNTY	Elementary Schools	High Schools	Trans-portation	Cost of Living	TOTAL
Union	92.04	28.39	3.39		123.82
Venango	312.21	110.81	19.80	12.33	455.15
Warren	244.66	99.39	21.95	11.84	378.54
Washington	1331.66	302.59	30.81	61.07	1726.13
Wayne	173.03	55.08	21.52		249.63
Westmoreland	1720.75	441.87	23.81	04.36	2290.79
Wyoming	96.20	36.41	16.38		148.99
York	837.84	184.30	2.13	50.99	1075.26
TOTAL	44484.99	12171.04	1275.70	4623.98	62555.71

In addition to considering the cost of a minimum program in each community, it was necessary to consider the local taxpaying ability. For reasons discussed in detail in Chapter XII the full or equalized value of property is used.

With these measures availabel the Commission considered the implications of adopting a minimum program at various cost levels. This consideration led to the adoption of the $1500 level. The Commission realizes that this is considerably below present average practice in the State. It is in fact approximately the level of the present required program of education, if fourth class districts are not considered. The Commission is convinced, however, that the proper financing of $1500 educational level will result in the elimination of many bad conditions and the vast relief of many districts no finding it unduly difficult or impossible to offer even this level of educational opportunity.

After a consideration of the several plans for distributing the burden of such a program, varying mainly in the degree to which they permit communities now benefiting from State aid to continue to benefit, the Commission recommends the plan that uses the least amount of State aid and also makes possible a continuation of present subsidies. This plan calls for a local contribution toward the support of the $1500 program of an amount equivalent to 3.5 mills on the full value of property in the district. Under this plan, if the present State aid added to the amount thus raised locally is not sufficient to support the $1500 program, the State will make up the deficit. In other words, each locality after raising by local taxes an amount equivalent to 3.5 mills on full value of property may have available sufficient funds to support a $1500 program of education.

To put this program into operation at the present time would require that the present State aid be approximately doubled. The total amount of State aid thus required if added to the present aid would amount to only a little more than a fourth of the total expenditure for education, State and local. The Commission realizes, however, that regardless of the fact that the total State participation called for is well within the bounds of reason, the problem of obtaining the recenues is no easy one. For this reason the Commission presents six stepd of approximately equal cost, that should facilitate the General Assembly's consideration of this problem. These six steps are given at the end of the preceding chapter. (Page ___)

Definiation of the Minimum Program

In addition to the financing plan, the Commission has considered the problem of suggesting improvements in the minimum program. Through the cooperation of the Commission's staff and the State Department of Education, a careful study of the present minimum program has been prepared. This is given in ChapterV. While the Commission has not attempted to pass upon the suggestions made, it recommends that the State aid bill give the State Council of Education power to set up standards limiting the distribution of additional funds to districts having or hereafter adopting a satisfactory district organization and otherwise prepared ro offer not only the State's minimum program but to exercise in a desirable manner the power of exceeding the State's minimum program.

Changes in Legal Requirements

In order to assure equality of educational opportunity, the Commission recommends the following changes in the law:

(1) That the limitations upon school attendance of pupils living remote from school be removed

(2) That the local power, now exercised by fourth class districts to reduce the length of term of pupils over fourteen years of age be repealed

(3) That the transportation at district expense of all pupils of legal school age living remote from school be required.

Proposed Legislation

Bills developed by the Commission, incorporating these recommendations, are given in Chapter XV of this report. It will be noted that the finance bill is flexible. It is readily adjustable to any level for which the General Assembly may see fir to provide.

Minutes of a Meeting of the Legislative Commission
Authorized by Act 397, 1927 to Study the Distribution of State
Subsidies to School Districts

May 22, 1928

The meeting was called to order at 9:30 A.M. by Superintendent John A. H. Keith, Chairman.

I. Attendance

1. Commission

a. Present
Dr. Keith
Mrs. Pitts
Mr. Turner
Mr. Jones
Mr. Jobson
Mr. Sell

b. Absent
Senator Mansfield
Senator Norton
Senator Roberts
Mr. Himes

2. Department of Public Instruction

Mr. Crosley
Mr. Gayman
Dr. Rule, Secretary

3. Special Assistants

Dr. Mort

II. Dr. Mort reviewed development of his plan of State support of public education in Pennsylvania. Dr. Mort's statement was distributed in mimeographed form as Chapter IV of the Commission's tentative report.

Mr. Turner called attention to difficulties, due to the present inadequate system of local assessment, of setting up an equitable system of distributing State subsidies to school districts. In the general discussion which followed, attention was called to the present power of the State Council of Education to revise and correct local assessment rates as reported by secretaries of local boards of school directors, and to the significant progress already made by the three special investigators of the Council in securing data showing existing inequalities and inaccuracies. Suggestion was made by Dr. Keith of the possibility and probable wisdom of transferring this power to the new Department of Revenue.

Dr. Mort next discussed the Preliminary Draft of Equalization Bill and submitted a substitute for lines 5-14, page 1. This substitute provided for a process for regrouping smaller districts into larger units. The desirability of these larger units of school organization and administration was generally conceded, but the difficulties recognized.

III. Mr. Jones called attention to the following sentence in the minutes of the meeting of April 5:

> The complete tentative report will then be presented to the Governor and his advisers, to school directors, legislators and organizations and individuals generally all over the state interested in this problem, so that there may be the widest possible discussion and consideration by the public of the proposed report.

Mr. Jones objected to the submission of a "tentative" report to the public for discussion and criticism, saying such a report might properly go only to the Governor and to a selected group of advisers, and suggested substitution of the word "preliminary". Agreed upon.

Mr. Jones further suggested that a number of persons such as Franklin Spencer Edmonds be invited to study confidentially Dr. Mort's proposed plan and to appear before the Commission to discuss its provisions fully and frankly. Upon motion of Mr. Jones, seconded by Mr. Turner, it was unanimously agreed that the following persons be invited to appear before the Commission: Mr. Franklin Spencer Edmonds, Dr. LeRoy King, Dr. F. B. Haas, three County Superintendents to be chosen by the Superintendent of Public Instruction, and such other persons as the Superintendent may desire.

IV. It was agreed that the next meeting should continue for two days, the first day to be devoted to hearing persons invited to appear before the Commission to discuss Dr. Mort's plan, and the second day to be spent by the Commission in executive session in a discussion and consideration by the members of the Commission of the provisions of the plan.

The meeting adjourned at 12:30 P. M. to reconvene Monday, July 2, 1928 at 9:30 A. M., Eastern Standard Time, for a two-day session.

James N. Rule

JAMES N. RULE,
Secretary

Approved:
JOHN A. H. KEITH,
Chairman

MINUTES OF A MEETING OF THE LEGISLATIVE COMMISSION

AUTHORIZED BY ACT 397, 1927 TO STUDY THE DISTRIBUTION OF STATE

SUBSIDIES TO SCHOOL DISTRICTS

July 2-3, 1928

* * * * * *

Monday, July 2

The meeting was called to order at 10:00 A.M. by Superintendent John A. H. Keith, Chairman.

I. Attendance

1. Commission

a. Present - Mr. Himes
Mr. Jobson
Mr. Jones
Doctor Keith
Mrs. Pitts
Mr. Sell
Mr. Turner

b. Absent - Senator Mansfield
Senator Norton
Senator Roberts

2. Department of Public Instruction

D. E. Crosley
H. E. Gayman
J. N. Rule, Secretary

3. Special Assistants

Paul S. Mort

II. The following persons had accepted invitations to appear before the Commission to discuss the merits of the proposed plan for the distribution of State subsidies and were heard in the order given:

Francis B. Haas, Principal, State Teachers College, Bloomsburg
C. S. Davis, Superintendent of Schools, Steelton
C. E. Dickey, Superintendent, Allegheny County Schools
LeRoy A. King, University of Pennsylvania
A. M. Kulp, Superintendent, Montgomery County Schools
A. P. Mylin, Superintendent, Lancaster County Schools
Philip Boyer, Division of Research, Philadelphia Board of Education

Each one had received in advance a copy of the proposed plan for study and had been asked to discuss it in the light of the following questions:

1. Is the plan sound and practicable in terms of good public school administration?

2. Does the plan provide for a greater equality of educational opportunity in Pennsylvania than exists at present?

3. Is the plan equitable and advisable from the standpoint of the taxpayer and citizen?

4. Is the plan statesmanlike as well as educationally sound?

III. Doctor Haas, in opening his discussion of the plan, gave an affirmative answer to each one of the questions submitted, with a few qualifications shown in the outline of his remarks which follows:

In any plan for financing the public schools, two major questions are involved, namely, (1) getting the money equitably and (2) distributing the money equitably.

While the object of the plan to equalize educational opportunity is admirable, yet it must be kept in mind that equality is not necessarily synonymous with adequacy. The statesmanlike plan must not only provide equality of educational opportunity, but it must also be generous enough in its financial provisions to enable the poorest school districts to maintain adequate educational facilities.

At this point Doctor Haas raised the question as to whether or not Doctor Mort in setting up a tentative plan, had considered the principle of rewarding districts for effort. Doctor Mort replied that the principle of rewarding effort had been considered, but in the negative, that professional leadership by the State rather than additional subsidies should supply the needed incentive to districts to exceed minimum State prescriptions. Doctor Keith stated that reward for effort, in principle, "gives to him that hath and takes from him that hath not," and therefore worked against the principle of equality of educational opportunity.

Doctor Haas raised the question as to the relation of the proposed plan to the Smith-Hughes law providing Federal subsidies for vocational education. Will Federal subsidies under the Smith-Hughes Act be placed on top of the regular State subsidies? Will any special subsidies be provided for such phases of the program as special education (education of handicapped children)? Doctor Mort replied that Smith-Hughes money would not be on top but would be considered as part of the total amount.

The proposed plan would require districts to supply a program in each of several special fields and would withdraw the corresponding amount of State aid if not offered.

Doctor Haas, in closing, said that in his judgment, the proposed plan was sound and in advance of the present method of distributing State subsidies to public schools.

IV. Superintendent Davis, in answering the questions submitted, stated that he would answer the first question in the affirmative, in general; that he would answer the second question in the affirmative without any qualification whatever; that he would consider the plan equitable if the basic uniform tax were four and one-half mills but that the plan would be more advisable if the basic uniform tax were three and one-half mills; and that he would answer the fourth question in the affirmative.

Superintendent Davis, in further discussing the plan, stated that any just plan for distribution of State money to the schools should be based on the needs of the individual districts; in other words, that distribution should be on an individual rather than on a classification basis. He further stated that in his judgment the present method of determining true valuations was thoroughly inadequate and incorrect.

Mr. Turner at this point raised the following question: Can't we include in our report a recommendation for county assessment?

There seemed to be general agreement in the affirmative on the question raised by Mr. Turner. Mr. Jones also expressed himself as strongly in favor of a county system of assessment. Mr. Turner further suggested a special chapter of the report dealing with the question of determining true valuations.

Superintendent Davis expressed his approval of the keynote of the plan which was "equality of educational opportunity," and the hope that the minimum limit of the mandated program would not long remain at $1500 but would be raised to $2000 as soon as possible. He raised the question at this point as to whether or not the proposed plan provided for payment of shortages in case legislative appropriations for a current biennium prove inadequate to cover increased staff for the second year of the biennium. Doctor Keith replied that, while every effort is made to calculate accurately in advance allocations to school districts for a given biennium and thus avoid deficits, yet if there should be a shortage the way is open to present to the Legislature, through the Budget Officer and the Governor, a bill for a deficiency appropriation covering any shortages that might develop during a given biennium in cases of certain districts due to increases in number of teachers during the second year of the current appropriation period.

V. Superintendent Dickey answered in the affirmative the questions propounded, with such qualifications as appear in the outline of his discussion which follows:

The plan in general seemed to be sound and he could hardly believe that Pennsylvania was ready to take so forward a step as this. He thought that the unit plan for determining State subsidies in contrast with the present classifications plan was a good one and would benefit Alleghony County materially. He cited the case of Edgeworth which was able to provide every modern type of educational facility with sixteen pupils per teacher all at a low millage, whereas another district on the maximum legal millage was able to provide only

minimum facilities, meagre salaries for its teachers and had to crowd an average of forty-five pupils in each room. He called attention to the inequity in the distribution of State moneys to these two districts. The districts of Munhall and Whittaker were also cited as cases in point. The former district is able to supply every facility at a low millage because of the high valuation back of each teacher, whereas the latter immediately adjoining the former is unable to supply even minimum facilities at a high millage due to the low valuation back of each teacher. In the former district are located the steel mills, whereas many of the families of the workers live in the latter.

In discussing the provisions of the proposed plan for the transportation of school pupils in rural districts, Superintendent Dickey expressed himself as believing that the plan would be helpful in the cause of consolidation, which was not popular in certain districts. In closing, he expressed himself as not in favor of the present plan for determining true valuations and as in favor of a new method which would be uniform and removed from all local considerations. He believed that the proposed plan as a whole was progressive, helpful and statesmanlike.

VI. Doctor King, in discussing the first question, stated that he believed the plan sound and practicable if the law could be passed, and that it recognized ability, effort and need. He stated that the Edmonds Act made a beginning in providing better equality but that it was insufficient in that it was but a beginning and that many changes had to be made to meet the exigencies of the situation. "Fundamental to all problems of equitable distribution," continued Doctor King, "is a sound plan for the assessment and levying of taxes such as has made the Maryland and New York plans for distributing school subsidies possible."

At this point, Doctor King raised the question as to whether or not the present law might not be amended so as to secure the desirable flexibility and equity in the distribution of State subsidies. This question raised considerable discussion as to the fundamental difference between the Edmonds Act and the proposed plan, which is that, whereas the Edmonds Act distributes State moneys on the basis of certain broad classes, the proposed plan would distribute State subsidies on the basis of individual units according to financial need. It was pointed out that the classes provided for in the Edmonds Act might be multiplied and refined so as to provide correspondingly more equitable distribution of State moneys. The essential difference between the two plans nevertheless would still remain, namely, that the one provides a class and the other a unit method of distribution.

Doctor King, continuing his discussion, stated that if the present assessment system can be remedied so as to provide for a county and State system, Doctor Mort's plan would be admirable and a step in advance of the Edmonds Act as modified in 1923. He expressed himself, however, as disturbed about the method of imposing a minimum program upon local districts, stating that he did not favor penalizing districts for not keeping up to a prescribed State standard, that he would favor some method of stimulating progressive districts for effort, and that the prescription of a minimum program would be a step towards centralization. In closing, Doctor King said he favored more money for public schools and congratulated Doctor Mort heartily on the proposed plan.

VII. Superintendent Kulp, in beginning his discussion, stated that in Montgomery County there were several one-teacher high schools with approximately twenty-four pupils each. These should be consolidated. He further stated that some principle should be introduced either to urge consolidation and make it attractive. In general, Superintendent Kulp expressed himself as in agreement with the plan as an advance over the present method.

Mr. Turner raised the following question: Are there any districts complaining that they don't get enough money? Superintendent Kulp answered in the affirmative. Mr. Turner then raised the question: Are there lower standards in some districts than in others? Superintendent Kulp answered in the affirmative, and stated that probably 40% of the pupils of Montgomery County are thus affected. He expressed himself as pleased with the way the transportation problem had been worked out in the plan.

Doctor Keith, at this point, asked Superintendent Kulp how the cost of living factor would affect Montgomery County. Superintendent Kulp replied that there were three distinct levels of living costs in Montgomery County and that the cost of living factor introduced into the proposed plan would be helpful to his county. He also expressed himself as being in favor of some method of uniform assessment and taxation as factors in any equitable plan for distributing State subsidies. In closing, Superintendent Kulp expressed himself as answering in general in the affirmative all of the four questions propounded.

III. Superintendent Mylin, in beginning his discussion, stated that he liked the plan with but one exception; that he objected to two-teacher three-year high schools, that there were too many of them in his county just a few miles apart, that these ought to be brought together, and raised the question as to whether the plan would bring this about. The 324 one-room elementary schools in Lancaster County ought also to be brought together into larger instructional units.

Doctor Keith, in discussing the question raised by Superintendent Mylin, stated that, while the present plan did not make specific provision for the consolidation of these small schools, nevertheless it did help the progressive districts to do so.

In general, Superintendent Mylin was in agreement with the plan but hoped that some principle might be introduced which would stimulate the consolidation of high schools in particular. He believed that the plan would help his district to have better teachers but feared that the less progressive districts might put the difference into their pockets.

IX. Doctor Boyer, in opening his discussion, raised the following question: When the proposed equalization bill becomes fully operative, would Philadelphia continue to receive what it is now receiving under the Edmonds Act? Doctor Keith and Doctor Mort replied in the affirmative. In discussing the plan, Doctor Boyer stated that the cost of living factor ought to be definitely stated and allowance made for periodic revision; that the discretion given in the plan to the Superintendent of Public Instruction to fix the ratio of number of teachers to pupils under certain conditions might be embarrassing and that, therefore, the bill should probably be more definite in this respect.

In discussing the questions propounded, Doctor Boyer replied in the affirmative with regard to questions 1, 2 and 4, and in discussing question 3, stated that he believed it to be equitable, and that it would be advisable, if all districts received under the new plan not less aid than they now receive under the Edmonds Act.

Doctor Boyer then read the following statement:

Considerations for Presentation by Representatives of the Philadelphia District

1. The preliminary draft of the Equalization Bill, Section 1210 - 19A in its application to the Philadelphia district is understood to modify in no particular the provisions of the present Act of May 18, 1911, P.L. 309, with the supplements and amendments thereto (the Edmonds Act). With this understanding, the Philadelphia district desires to register its approval of lines 1 to 20 of the preliminary draft for the following reasons:

   a. Philadelphia, as the largest municipality, is interested in cooperating with the State government to the end of securing to all the citizens of the State a practical equalization of educational opportunities.

   b. The maintenance in the proposed draft of the present relationship of school districts of the first class with the State relative to the apportionment of State appropriations to education, provides for the return to Philadelphia by the State of at least a part of the State funds contributed locally through the channels of State taxation. The form of this return (Act of May 18, 1911, P.L. 309, Section 19) affords stimulation and encouragement to districts of the first class for continued 'effort' to exceed the minimum educational standards provided by the State.

   c. The provision in the preliminary draft for the gradual assumption of increasing responsibility by the State for the realization of desirable minima gives consideration (1) to the greater practicability of gradual tax increases, and (2) to the gradual assumption by localities of more and more efficient systems of education, until at least the standard minimum of the $1500 teaching unit is reached. Question is raised, however, as to the advisability of committing future legislatures to the necessity of increasing tax levies in order to carry out the successive stages provided in the proposed bill.

   Question may properly be raised as to the effect of the deduction of Federal aid in the determination of the amount of State aid to be allowed. The fundamental purpose of Federal aid is that of the encouragement to local districts to support special types of education which otherwise could not be afforded. If Federal aid is to be included within the $1500 State minimum, the intent of the Federal law, that is, encouragement and stimulation, is, in effect, nullified. A local district receiving relatively extensive Federal aid for particular features of its educational program may be penalized in other departments of its program by the subtraction of the

Federal aid from the equalization fund as it applies to the district. On the other hand, districts making no effort along lines encouraged by Federal aid and, therefore, receiving no such aid, will secure State equalization aid up to the prescribed minimum, in spite of the fact that no effort is being made to provide types of education especially encouraged by the national government.

2. Determination of teaching units by the Superintendent of Public Education

   a. In the method of determining teaching units, only the traditional 8-4 plan of school organization is recognized. Since the organization of seventh and eighth grade classes in junior high schools under the 6-6 or the 6-3-3 plan requires a more expensive type of organization, it would seem that this feature of the determination of the index fails to afford desirable encouragement to the institution of these plans. There is some slight compensation in the inclusion of grade nine in the determination of the high school index, though this is insufficient if the 6-6 or 6-3-3 plans are to be effectively stimulated.

   b. The preliminary draft, page 2, lines 11 to 13, provides for the inclusion of only <u>resident</u> pupils in the calculation of high school teaching units in schools with an average daily attendance of two hundred or more in grades 9 to 12 inclusive. From Dr. Mort's study, Part II, Chapter IV, page 48, it is assumed that the omission of non-resident pupils at this point is intended to act to reduce the amounts of State aid to relatively wealthy districts. Aside from consideration of the justice or injustice of this feature, there would seem to be necessary a statement in the bill determining the rights of non-resident pupils to school attendance in the district concerned.

   c. The factor to be used in modifying the number of teaching units as originally determined (page 3, line 13 of the draft) includes cost of living and proportion of current expenses devoted to salaries. It would seem, however, that more specific statement of the derivation of this factor its periodic revision, its application, and the effects of such application should be written into the bill (see present School Code, Section 5604B 7).

3. Discretionary powers of the State Superintendent of Public Instruction (page 3, line 17, to page 4, line 2).

   The State Superintendent would probably find it more practicable to administer both the penalty for inadequate provision and the adjustment of ratios if the bill contained a statement of standard minimum and maximum requirements within which the Superintendent could exercise discretionary powers.

4. The determination of the size and organization of local units for economic administrative effeciency seems fundamental to the effective operation of the plan of State aid proposed in the Equalization Bill. In the preliminary

draft, page 4, line 6, power to set minimum standards for organization, administration, and supervision of school districts is delegated to the State Council of Education. It would appear that the State Council could act with greater dispatch in stimulating desirable types of organization if they, too, could operate on the basis of the application of minimum-maximum standards written into the bill.

Tuesday, July 3

The Commission was called to order at 10:00 A.M. by Superintendent John A. H. Keith.

I. Attendance

1. Commission

a. Present - Mr. Jobson
Mr. Jones
Doctor Keith
Mrs. Pitts
Mr. Sell
Mr. Turner

b. Absent - Senator Mansfield
Senator Norton
Senator Roberts
Mr. Himes

2. Department of Public Instruction

D. E. Crosley
H. E. Gayman
J. N. Rule, Secretary

3. Special Assistants

Paul S. Mort

II. The following persons had accepted invitations to appear before the Commission on Tuesday, July 3, to discuss the merits of the proposed plan for the distribution of State Subsidies and were heard in the order given:

Honorable Franklin Spencer Edmonds, Philadelphia, Pennsylvania; Honorable Marcus Aaron, President, Pittsburgh Board of Public Education.

II. Mr. Edmonds said in substance as follows:

1. The proposed plan is based upon a more accurate system of assessment than we have at present but makes no provision for anything better. The amendment of 1923 to the so-called Edmonds Act places the duty of the revision of local assessments on the State Council of Education without setting up the necessary machinery. The proposed plan will not make a fundamental contribution to the question at issue unless a system of uniform assessment is created. What ought to be done is to create a county board for assessments together with a State board to supervise and coordinate the work of the county boards, following the New York State plan. The Commission's report ought to make clear that an equitable distribution of State subsidies can not be made except on the basis of a uniform system of assessment. The function of reviewing and correcting assessments should be transferred from the State Council of Education to the new Department of Revenue.

2. It would be a mistake to make public in your report the amount of additional subsidy which a school district would receive under the Mort plan unless you had accurate assessments upon which to base the computation. For instance, the plan might report that a district would receive $1400.00 additional but if later after an accurate assessment had been secured it would result that the district would only obtain $1000.00, its directors would then accuse the department of acting in bad faith in securing their assent to a proposition which does not return as much as was originally anticipated. Any plan that is submitted to the Legislature should be based on complete data.

3. The State gives money to local districts in order to set up and determine educational standards. With increased State subsidies should come increased State requirements and control so that the State would have authority to correct local inequities and injustices and eliminate waste. Is our present organization of school districts such as to give us the best results? A more adequate unit of school organization and administration is necessary in order to eliminate waste and secure better results. Federal taxes are being reduced; why not State and local? Local districts are too small at the present time to maintain satisfactorily a high school on an efficient, economic basis, and some of them are probably not so poor as they pretend. There is a strong popular reaction against extravagances in public finance, and before more money is poured into local districts, a larger degree of State control must be set up in order to correct local abuses. More money should not be poured into a leaky cask. It would be better to begin to plug the holes at once.

4. Is the proposed plan constitutional? Would a system of State subsidies based not upon a general principle of classification but upon an individual unit basis be in accord with the provisions of the State Constitution? The Supreme Court has decided that classifications based upon wealth are not constitutional. The constitutionality of the plan under advisement should be carefully considered.

   At this point, Mr. Jones suggested that Doctor Keith present the plan to the Department of Justice for a formal opinion on the question of its constitutionality.

5. Mr. Edmonds raised the question as to whether or not it is a good thing to equalize financial conditions. Isn't the attempt to equalize pioneer and advanced urban conditions in the nature of a political nostrum? It might prove harmful to withdraw from local districts the incentive to struggle for better conditions. At this point, Doctor Mort replied in substance to Mr. Edmonds' remarks as follows:

   The computations showing the effect of the proposed plan are based upon property assessments corrected by means of the rate of assessment reported by the school districts. Computations obtained for the State as a whole are correct, however. This assumes that the equalization rate finally adopted would give to the State the total wealth which the assessment rates used now give. This could be readily provided for in the law.

   The experience in other states indicates that the charts showing the operation of the plan in typical districts are essentially correct. A more correct assessment figure might place certain other districts as low or high, but it is safe to assume that there are districts in the State which show essentially the situation represented by the typical districts used.

   Computations which we made for individual districts are of course wrong to the degree that the assessment figures are in error. Such data when made available to districts should be accompanied with the explanation that it is based upon the rate of assessment reported from the school district and is subject to whatever changes would result from using a more reliable figure for rate of assessment. Actual experience with such data has shown that the layman readily grasps the situation and is therefore fortified against corrections that must come from a more adequate method of obtaining rate of assessment.

   In brief, the only shortcoming that may be expected to arise from the assessment figures used is the possible misapprehension of individual districts with regard to the amount of State aid they would receive. Experience indicates that this can be adequately guarded against in using such figures to indicate the operation of the proposed plan.

It may be said further that while a proper system of assessment of property throughout the State would provide the data necessary for administering an equalization law, such a system of assessment is not essential. All that is essential for the administration of an equalization law is the availability of data on the actual rate of assessment in school districts. Such data can be obtained without any revolutionary step in the actual assessment system. It is true that a more accurate assessment system that would deal fairly with individuals within communities would improve the tax situation and therefore eliminate considerable objection to taxation for schools as well as for other governmental purposes. But this is a broader problem and should not be confused with the necessities of the situation faced in the development of an equalization law. The purpose of the equalization law is to do justice among communities. If the assessment of property within a community is unfair to individuals within the community so that some individuals carry the burden of others within that community, the operation of an equalization law is not affected, even though the situation is bad from the taxation standpoint.

6. Mr. Edmonds concluded his discussion substantially as follows: Is there any general outcry through the State against the alleged inequalities of the present plan of distributing State subsidies? He hadn't, himself, been able to detect any feeling that the local burden of financing the schools was too heavy, that he had just that morning made inquiry of several prominent men on Capitol Hill as to whether or not they had detected any local feeling that the burden of financing public schools was too heavy; and in every case he had received a negative reply. He doubted whether it was a good plan to appropriate public money to correct economic conditions and cited some of the experiences of the Mothers' Assistance Fund, which while it has worked out admirably in the main has in some cases destroyed its performance by removing from a family the stimulus for self-help. It ought not to be made too easy to appropriate public money to correct local economic conditions. The educator who stresses self-help and economy is the useful man for today although his plea may not be popular.

Replying to Mr. Edmonds, Doctor Keith said in part:

1. The repairs must be made to the educational system of the Commonwealth while the machinery is in operation. We can't delay until all the desirable related factors are put in readiness to receive the new plan. As a matter of fact, the educational system of Pennsylvania has done a lot of waiting historically, but the related factors are apparently not greatly improved. From the first subsidy law of 1835 to the present time, there has been lack of equity because there has been no way to equalize the assessments upon which equitably distributed State subsidies could be based. We have had interim tax commissions and as a result have in prospect a Department of Revenue one of whose duties will be to certify to the State Council of Education the true valuation of taxable property per teacher in

each of the more than twenty-six hundred school districts of the Commonwealth. That is a task of such magnitude that it will not be done in a day or in a year. We must, however, use what data we have, and it is as good for the new plan as for the present one.

2. But even granting that there would be a diminishing amount of inequity in the proposed plan, the proposed plan would seem to be preferable because it does really demand and will ultimately force a better system of assessments; while the present plan of distribution promises nothing better and offers a substantial primium on debased assessments. Records on file show that, whereas the County Commissioner's clerk certifies to a uniform rate of assessment, the separate school units report for subsidy purposes widely varying rates within a given county. Three investigators are in the employ of the Department of Public Instruction endeavoring to ascertain true valuations in those districts that have, by their reports, been entitled to preferential reimbursement. These investigators can only reach a small number of districts within the present biennium, but they are showing that the job can be done and also that it ought to be done.

Under the present plan we have bankrupt school districts; wholly unequal aid to districts of apparently equal ability and need; taxes in excess of the legal limit in some districts and very low taxes in similar districts, but with equal aid from the State; and from many directors and county superintendents come a confessed inability to raise enough money to carry out the mandated program in their schools. These excessive local rates for current school support render bond issues for suitable buildings practically impossible in many districts. There is danger that many of the schools will be dead and defunct before help could come in the slow, hitherto impossible, method suggested.

3. While county boards of assessors would greatly facilitate the operation of the proposed plan, the proposed plan, if put into operation, would hasten the adoption of such an improved method of assessment. The plan would also encourage the formation of larger school units in that it would remove the present objection, viz., that the larger unit will cost more money. Also, it is possible in the set-up of the new plan to penalize those districts whose organization is not satisfactory. We still have too many school districts with five directors and only one teacher. The proposed plan would also encourage the formation of joint districts for high school purposes.

The present organization of school districts is due primarily to legislation. This legislation was passed, largely, at least, before the arrival of good roads and the automobile. The power to change school organization is vested in the General Assembly and in good time this will become more satisfactory. Preliminary to larger units of school organization and administration, however, is the establishment of a square deal in the distribution of the State's subsidies. These subsidies are more than a means of standardization -- they are primarily the means by which equality of educational opportunity is provided to those who will constitute the Pennsylvania of the future. By establishing a square deal and thereby freeing the local taxing power, the opportunity to do more than the mandated program becomes possible for all districts whereas, under the present plan, the mere carrying of the mandated program is a staggering load in many districts and a crushing load in some.

To remedy all of these things in a State that has given over assessments to locally elected assessors is a matter of great difficulty as well as of one of the greatest importance to the Commonwealth.

4. No district could really later claim that it had been dealt with unfairly, for the proposed plan frankly requires the levy of a tax equivalent to the proceeds of a three and one-half mill tax on true value as a condition of being reimbursed beyond its present reimbursement rates. It is evident that one factor in equitable State reimbursement is need of help and this need demands some uniform basis that is State-wide. This uniform basis can not well be stated except as true valuation. It could, however, be stated as any given per cent of true value, but that would probably be unwise as a statutory provision.

Further, whether a district received more or less under the new plan, it would leave an assurance of being fairly dealt with that it does not and can not have at present.

5. As to the constitutionality of the proposed plan, it should be evident that it is, in one respect at least, built on the same idea as the preferential rates of the present plan. The present plan would fall by the same logic that would hold the proposed plan unconstitutional.

If the proposed plan is unconstitutional, then the State has been a great sinner indeed because, from the very first, State subsidies to school districts have not been based on the "general principle of classification." The only constitutional subsidy law we have ever had, according to this principle, was the Edmonds Act of 1921. This was so unsatisfactory and so inequitable that it was amended in 1923 by adding preferential classes for reimbursement. Even at that, it still permits the payment by the State of 50% of the minimum salaries of teachers to some districts that levy only a two mill tax on a low rate of assessment and whose true valuation per teacher, even on this low assessment, is among the highest in the State. It would be strange if the Constitution demanded such injustice.

Again, it is possible that the "general principle of classification" may not apply to the definite mandate regarding education in Article X of the Constitution.

The whole matter will be submitted to the Attorney General whose interpretation will, of course, be considered binding on the Commission.

The points presented by Mr. Edmonds have been very stimulating. We are deeply indebted to him for finding the time to go over the materials sent him and to come here today to present, in his lucid and convincing way, his reactions to the proposal that is before the Commission.

V. Mr. Aaron, in beginning his discussion, stated that he wanted to represent the children of the whole State, not those of Pittsburgh alone. Mr. Aaron's discussion was in substance as follows: Increased State aid is justified since, whereas the State can use every kind of taxation except the property tax to raise money, the local unit can only use the property tax. The proposed plan of distributing State subsidies would not be advisable until the machinery is set up to administer the Act, that is, some method of securing a uniform method of assessment. The 1923 amendment to the Edmonds Act is not sound. The first things to do are to set up a county tax commission, a State Tax Commission to coordinate the work of the county commissions, and the county as a unit of school organization. To present a plan to the Legis-

lature which lacked the fundamental basis of a uniform system of assessment would be a tactical mistake.

Schools depend upon budgets and must know approximately in advance what they are going to get. Unless the fundamental base is right, no school district will know definitely and accurately how much State subsidy it will receive. Pennsylvania has the most archaic system of taxation of any state in the United States. Why does New York contribute more to schools than Pennsylvania? Because it places the burden of taxation upon those who can carry it.

Mr. Aaron expressed himself as not in complete agreement with Mr. Edmonds' statement concerning school extravagances. Probably there are extravagances but these are not very serious and the people will go along on a program of more money for the public schools. Doubtless money is being wasted but not too much money in the aggregate is being spent on the public schools. Let us iron out the evils and then it will be easier to get more money. Don't suggest a plan so full of holes that it may be clear in advance that it will fail. Get it right and then fight for it. I am with you on anything that is practicable.

V. At this point the Commission went into executive session. Mr. Turner stressed again the importance of a chapter in the report on assessment, since no plan of distributing State subsidies would be feasible without an equitable system of assessment. Doctor Keith expressed his opinion that such a chapter should come right at the very beginning of the report since an equitable system of assessment underlay the whole problem. Mr. Jones reinforced Mr. Turner's suggestion, and Doctor Keith stated that he would have such a chapter prepared for the consideration of the Commission at its next meeting. Mr. Jones expressed himself as in favor of a county assessment board with a Department of Revenue to correct county rates and certify true values to the Department of Public Instruction. Mr. Turner stated that the suggestions of the Commission relative to uniform assessment should apply only to school purposes.

Mr. Turner expressed his conviction that there were lots of communities able to meet their school obligations but were not doing so and that more attention ought to be given to the consolidation of schools and the creation of larger units of school organization. Doctor Keith expressed himself as in favor of granting increased power to the State Council of Education to bring about a more effective and economical type of school organization as a condition of full reimbursement. Mr. Jones stated that he favored a chapter or a statement on the control of school extravagances by the Department of Public Instruction, particularly in the case of school expenditures for school buildings; that if the State is going to give more money to the schools, it must see to it that the money is well spent.

Doctor Keith invited criticism by the members of the Commission of the Chapters of the tentative report already submitted. It was agreed that members of the Commission would write criticisms of the material already submitted and send them to Doctor Keith by September 1.

Doctor Keith asked if the Commission had any objections to the submission of the plan to the Governor and the Budget Officer. The Commission expressed itself as in favor of submitting the tentative plan to the Governor and the Budget Officer for their criticisms.

Doctor Keith, in closing, stated that he would ask (1) the Attorney General for an opinion on the constitutionality of the proposed unit plan of distributing school subsidies as affected by Article X of the Constitution, the classification elements of the Constitution, and Supreme Court decisions; (2) Doctor Mort to write the plan in terms of the Edmonds Act. Doctor Keith stated also that he would have prepared for the Commission's consideration (1) a chapter on assessment and taxation, and (2) a chapter on control of expenditures by the Department of Public Instruction with particular reference to school building programs.

VI. The Commission adjourned at 2:00 P.M. to meet Friday, September 14, at 10:00 A.M., eastern standard time.

James N. Rule

James N. Rule, Secretary

APPROVED:

John A. H. Keith, Chairman

Minutes of a Meeting of the Legislative Commission
Authorized by Act 397, 1927 to Study the Distribution of State
Subsidies to School Districts

September 14, 1928

The meeting was called to order at 10:00 A.M. by Superintendent John A. H. Keith, chairman.

I. Attendance

1. Commission

a. Present
Dr. Keith
Mrs. Pitts
Mr. Himes
Mr. Jones
Mr. Sell

b. Absent
Senator Mansfield
Senator Norton
Senator Roberts
Mr. Turner
Mr. Jobson

2. Department of Public Instruction

Mr. Gayman
Dr. Rule, Secretary

3. Special Assistant

Dr. Mort

II. In response to the request of the Commission, as expressed at the last meeting, Dr. Keith secured an opinion of the Department of Justice relative to the constitutionality of the proposed new legislation for distributing State subsidies to school districts. This opinion was written by Deputy Attorney General Schnader and is as follows:

> We have your letter of August 18th submitting for our scrutiny the amendments to the School Code which are under consideration by the Commission created by the last Legislature to study the distribution of State subsidies to school districts.
>
> You inquire whether in our opinion the basis upon which State appropriations would become available to school districts under the proposed amendatory legislation would conflict with the Constitution.

The only constitutional provision with which this proposed legislation could possibly conflict is clause 2 of Article III, Section 7 providing that

> The general assembly shall not pass any local or special law ***
> regulating the affairs of counties, cities, townships, wards, boroughs or school districts.

In our opinion the distribution by the State to the several school districts of financial assistance is not a regulation of the affairs of the school districts. It follows that it is not necessary for such legislation to provide for the distribution of money on the basis of the classification of the school districts as contained in the School Code. The Legislature can without violating the Constitution distribute subsidies to school districts upon any basis which it sees fit to employ.

I have several suggestions to make for the technical improvement of the bills, copies of which were attached to your letter. When the Commission has finally determined upon the substance of these proposals I should be very glad to let you have my suggestions as to matters of form.

Wm. A. Schnader
Special Deputy Attorney General

III. Copies of the proposed preliminary report of the Commission were distributed for consideration and discussion. The only part of the report still incomplete is Chapter I on Organization, which is to be merely a descriptive chapter on the organization of the Commission's study of the whole problem of an equitable distribution of State subsidies to public education.

1. Chapter II was read and discussed in detail. This chapter was accepted in form as part of the preliminary report of the Commission.

2. Chapters III, IV, V, VI, and VII were received and approved in form and ordered to be included in the preliminary report.

3. Supplement 1 of the technical aspects of the study was considered, approved, and ordered included in the preliminary report.

   The section on "Ability of Districts to Support Education" was read and considered in detail.

4. Supplement 2 on "Legislation" was received and ordered included in the report as suggestive of the technical principles and phraseology involved in drawing up legislation. It was understood that Deputy Attorney General Schnader would assist in framing the final form of the proposed bill.

5. The statistical tables comprising Supplement 3 were ordered included in the report.

IV. The Commission discussed next the form in which the report was to be presented and the time when it should be distributed for general consideration. It was the consensus of opinion that the report should be printed as promptly as possible after it has been approved by the Commission as a whole, so as to be ready for distribution immediately after the November election.

V. Dr. Keith presented a proposed letter of transmittal of the preliminary report to the Governor. This was as follows:

To His Excellancy
John S. Fisher
Governor of Pennsylvania

Sir:

We present to you herewith our report on the distribution of State subsidies to school districts in accordance with Act No. 397, 1927. This report, in accordance with the law creating the Commission, embodies the result of the Commission's study and its recommendations.

Respectfully submitted,
By order of the Commission

John A. H. Keith, Chairman

James N. Rule, Secretary

The foregoing letter was approved.

VI. The advisability of securing approval of the preliminary report by members of the Commission **not** present was considered. The Commission decided to call another meeting for Monday September 24, beginning at 10:00 A.M. Advance copies of the report are to be sent to the absentees in advance of the meeting, with the request that they should study it carefully, and make their plans to attend the next meeting, if at all possible, so that a final consideration of the report may be secured on the part of the Commission as a whole at that time. In the event of any member of the Commission finding it impossible to attend the meeting of September 24, each member is to be requested to transmit by letter his approval or disapproval of the report, or his approval with such reservations as he may wish to have recorded.

VII. The Commission took a recess at 12:00 M. for luncheon and reassembled at 1:30 P.M. for a short session. Dr. Keith urged the members of the Commission to submit any further criticisms or reservations any member desired to make relative to the form or substance of the report. The Commission adjourned at 2:00 P.M. to reassemble Monday morning, September 24, at ten o'clock.

After adjournment the members of the Commission went by appointment in a body to the Governir's Office to pay their respects, to notify him that the report of the Commission was reaching its preliminary form, and to give him an opportunity to make any suggestions he desired relative to the work of the Commission. The Governor received the Commission cordially, commended them for the progress made, and urged that the report be completed promptly, so that it may receive as widespread publicity and consideration as possible.

James N. Rule

James N. Rule, Secretary

APPROVED:

John A. H. Keith, Chairman

Minutes of a Meeting of the Legislative Commission
Authorized by Act 397, 1927 to Study the Distribution of State
Subsidies to School Districts

September 24, 1928

The meeting was called to order at 10:00 A.M. by Superintendent John A. H. Keith, chairman.

I. Attendance

1. Commission

a. Present
Dr. Keith
Mrs. Pitts
Mr. Turner
Mr. Jones
Mr. Himes
Mr. Sell
Senator Roberts

b. Absent
Senator Mansfield
Senator Norton
Mr. Jobson

2. Department of Public Instruction

Mr. Gayman
Dr. Rule, Secretary

3. Special Assistant

Dr. Mort

II. Minutes of the meeting September 14, 1928 were submitted by the Secretary and approved.

III. The contents of Chapter II of the report were discussed. Mr. Turner urged that the chapter be reorganized so as to give the Commission's findings and recommendations more concisely and in the language of the man on the street. He further urged that all descriptive material not strictly germane to such a summary should be omitted. Mr. Jones stated that in his judgment instances of present inequalities should be given and all the items of the report stated as concisely and concretely as possible.

Mr. Turner suggested that the recommendation of the Commission "that the General Assembly in 1929 take as many of these steps as are practicable" be amended by the addition of the phrase "provided that no additional revenue is required." Dr. Keith stated as his opinion that the Commission probably should not accept responsibility for making recommendations relative to revenue, but should confine itself largely to its judgment of the merits of the plan.

Mr. Jones stated as his judgment that the Commission was quite within its powers to take into account not only the merits of the plan itself, but also the financial ability of the State to carry the provisions of the plan into effect. The Commission finally decided to add a sentence to the effect that questions of taxation and revenue must be taken into full account.

After considerable discussion, Chapter II was finally agreed upon in substance and in form as shown in Exhibit A attached hereto.

IV. Certain phases of the proposed bill were next considered. Mrs. Pitts stated that she believed the bill should contain a provision requiring that the cost of living factor should be determined biennially by the Department of Public Instruction. The Commission agreed to this suggestion and directed that this provision be inserted.

Mrs. Pitts and Mr. Jones raised a question as to the inclusion of mention of Federal aid in the last sentence of the proposed bill which contains a provision that the amount apportioned to any district under the provisions of this act shall not be greater than the excess of the current total expenditures for school purposes in such district during the preceding year above the aggregate of the amount which would result from a tax of 3.5 mills on the true valuation of the taxable property in such district as determined by the Department of Revenue and all other State and Federal aid apportioned to such district during such year.

It was explained by Dr. Keith that under a five-year agreement with the Federal Government, such Federal aid is matched with an equal amount of State and local money. This item of Federal aid is a part of the present State plan of financing the public schools and, therefore, mention of it should be included in the proposed bill. It was further brought out that Federal aid should not be superimposed upon State aid as this would be a temptation to districts to undertake a larger program than they were financially able to carry.

V. Chapter I was presented and read in full. Suggestions were made for changes in its wording. This Chapter with suggested changes is shown in Exhibit B.

V. The question of where the members of the Commission should attach their signatures to the report was discussed at some length. The suggestion was made that the Commission might append their signatures to Chapter II, which contains summary of findings and recommendations. Decision finally was in favor of signing the letter of transmittal to the Governor.

It was understood, particularly in the case of members of the Legislature, that signatures attached to the letter of transmittal did not commit them irrevocably to all its recommendations in case new information and points of view should develop later. The Commission directed that the report be transmitted promptly in manuscript to the Governor. All the members of the Commission present signed the letter of transmittal.

At 12/45 P.M. the Commission adjourned sine die subject to recall by the Governor in case he should desire the Commission to reconvene to reconsider the report in any of its aspects.

James N. Rule

James N. Rule, Secretary

APPROVED:

John A. H. Keith, Chairman

CHAPTER I

THE WORK OF THE COMMISSION

The Commission to study the distribution of State Subsidies to school districts was created by Act 397 P.L. 758, 1927. This Act was as follows:

No. 397 Session of 1927

AN ACT

Creating a commission to study the distribution of State subsidies to school districts prescribing its powers and duties and making an appropriation.

Section 1. Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met and it is hereby enacted by the authority of the same That a commission is hereby created for the purpose of studying the distribution of State subsidies to school districts and making a report thereon embodying the commission's recommendations The commission shall consist of three members of the Senate to be appointed by the President Pro Tempore of the Senate three members of the House of Representatives to be appointed by the Speaker of the House three citizens of this Commonwealth to be appointed by the Governor and the Superintendent of Public Instruction ex officio who shall serve as Chairman thereof

Section 2. The said commission shall make a report to the Governor on or before the first day of November one thousand nine hundred and twenty-eight which report shall embody the result of the commission's study and its recommendation if any for further action by the General Assembly.

Section 3. The commission shall have the power to elect such officers in addition to the Chairman as it shall deem advisable Such investigators experts assistants employes and expenses as may be necessary to enable the commission properly to perform its work shall be provided by the Department of Public Instruction.

Section 4. All members of the commission shall serve without pay but shall be reimbursed for their necessary traveling expenses.

Section 5. The sum of ten thousand dollars or so much thereof as may be necessary is hereby appropriated to the Commission for its necessary expenses Payments from this appropriation shall be made upon requisition of the Superintendent of Public Instruction calling upon the Auditor General to issue his warrant upon the State Treasurer

Approved May 4, 1927.

The Commission as constituted met for its first meeting on September 4, 1927. Subsequent meetings were held as follows:

October 28, 1927
December 9, 1927
February 22, 1928
April 5, 1928
May 22, 1928
July 2 and 3, 1928
September 14, 1928
September 24, 1928

Nine meetings were held covering ten days of discussion and consideration of the task assigned by the General Assembly, viz., to make a study of the distribution of state subsidies to school districts and recommendations concerning the same.

The first effort of the Commission was to secure a clear understanding of the present plan for the distribution of state subsidies to public school districts. The difficulties and inequalities contained therein were set up for scrutiny. To aid in clarifying present procedures, the development of the State's various plans for distributing subsidies to school districts since 1835 was studied. The reasons for changes made in the past became apparent and also the trend of these changes became clear. What is commonly called State Aid is granted by the State primarily to enable all districts to provide the minimum educational facilities that the laws of the Commonwealth require.

At this point two fundamental questions emerged:

1. What is the State's minimum educational requirement?

2. Is it possible to adjust the State's aid to the varying abilities of the more than twenty-six hundred school districts of Pennsylvania to support the State's minimum educational requirement?

To answer these questions it became necessary to know:

1. What other states are doing and have done concerning these matters.

2. How the varying cost of living in twenty-six hundred districts can be expressed in terms of a common denominator.

3. How the necessary expenditures for transportation of pupils can be equitably adjusted.

4. What the State's mandated (minimum) program of public school education actually is.

5. What the ability of the several school districts to support education really is.

Information was assembled to inform the members of the Commission on the foregoing and related matters. Honorable Albert S. Cook, State Superintendent of Public Instruction of Maryland, informed the Commission as to the workings of Maryland's equalization law. Dr. Paul R. Mort, Associate Professor of Education, Teachers College, Columbia University, described the New York Plan. The plans of other states were also briefly presented. Dr. David P. Harry, of the University of Pittsburgh, with the cooperation of the Department of Public Instruction and of the County and District Superintendents of the State made a careful study of the cost of living and presented a plan for coordinating the variations in a subsidy plan. Dr. Robert L. Burns, Principal of the high school at Cliffside, New Jersey, made a careful study of the transportation problem and related his findings to the equitable distribution of subsidies. Pennsylvania's mandated program for public schools was carefully set up by members of the Department of Public Instruction. The taxable wealth of the more than twenty-six hundred school districts, the rates of assessment, etc., were carefully studied and tabulated.

While these studies were going forward the Commission gave careful consideration to the plan outlined by Dr. Paul R. Mort, who has served as adviser to similar groups in New York, Alabama, Kansas, Florida, Nebraska, and Wyoming. This plan which this report describes is simple in its general outline. It may be summarized as follows:

1. The State, for its own protection and advancement, mandates a program of public school education and by law authorizes and requires local school districts through school directors to carry this program into effect.

2. The State, by law creates the local authority to tax property to provide for the support of its public schools. The State has, since 1835, accepted a responsibility to help school districts maintain public schools meeting the standards as set up in the law.

3. School districts should be required to make equal tax efforts to support the mandated public schools and the State should add to the proceeds of this equal tax effort enough to carry out the State's own mandated program of public school education.

4. This basal equal local tax effort should be low enough so that any district may have left resources with which to go beyond the State's own minimum mandated program without impoverishing itself and to provide adequate school buildings.

It will be conceded that the foregoing embodies, in general terms a "square deal". There are difficulties in working it out practically and to these difficulties the Commission gave careful consideration.

"An equal tax effort" for each of the more than twenty-six hundred school districts of Pennsylvania involves practical difficulties due to the development and present status of the assessment of property for taxation purposes. These difficulties have to be dealt with in some way or other now because of the established preferential rates of State reimbursement. An improvement of the assessment of property for local taxation would help out in the distribution of State subsidies on an equitable basis but the establishment of an equitable plan would also create a reason for the improvement of local assessments. The Commission believes that with the data at hand and with that which can be secured, its proposals can be made to operate more equitably than the present plan and secure, in a few years, substantial equality of educational burden and opportunity. The existence of more than twenty-six hundred districts, each with its own overhead and often with insufficient resources, complicates the problem and makes for duplication of effort, waste, and extravagance. A decrease in the number of school districts would simplify the problem and make for greater efficiency.

Then, too, the present plan has its beneficiaries who have adjusted their local educational program to the amount of State Aid now received and it seems fair and reasonable that this relationship should continue. Other districts should be encouraged to grow up to the level of the educational offerings of these, at present, more favored districts.

It is evident that the Commission had to find some common measure of need in terms of which the fiscal aspects of the problem could be expressed. This measure was called a Teacher Unit, or Unit, and all of the current expenditures necessary for the carrying on of a public school were expressed in terms of this unit. For example, an elementary teacher equals one unit; a high school teacher equals one and two tenths units (1.2). The variation in cost of living is also expressed as a fractional part of a unit as is the transportation need of a district. When this evaluation and calculation is completed the units are added and there is a numerical expression of the size of the problem.

The unit must have some monetary amount associated with it. For reasons set forth at length in the body of this report, $1500.00 was taken as the monetary expression of a unit. It means that the current expense of conducting one elementary schoolroom - salary of teacher, current educational supplies, janitor service and supplies, necessary repairs and replacements of equipment - is set at $1500.00 A high schoolroom (1.2 units) is $1800.00. By multiplying the number of such units, including those for transportation and variations in the cost of living, by $1500.00 the cost of the plan is found. When the cost is found, we come back to the fundamental necessity for apportioning this cost between the State and the local district. The Commission is thoroughly convinced that State Aid should supplement the local tax effort so that the cost of the mandated program may be equitably distributed.

The extent of the State Aid needed to carry this plan into effect led the Commission to divide the entire plan into a series of fairly equal steps which can be taken separately at intervals as determined by the General Assembly. These provisions are embodied in the bill which is included in this report. The bill is in reality an amendment to the present laws. A vast amount of detailed statistical work had to be performed in order to show how the application of these successive steps would affect each school district in the State. Some of the facts may change in some of the districts before all of the steps are made effective, but on the basis of present facts, the practical results of each step are shown for each district in the statistical tables of the Supplement.

The Commission also gave consideration to the matter of State subsidies to school districts for capital outlay. While such aid may be justified temporarily under existing circumstances, the general policy of the State should be to grant subsidies only for current expenses of operation and maintenance. The necessity for State Aid for school buildings will disappear when an equitable distribution of State subsidies for current expenses is in operation, for local taxing power, sufficient to meet reasonable capital expenditures, would thus be made available.

When the Commission had this plan worked out in terms of the limiting conditions which exist in Pennsylvania, it sent the plan to various public school men, to publicists, and friends of education. At a meeting held in July, 1928, the following men appeared before the Commission to express their reactions to the "Plan."

1. Francis B. Haas, Principal, State Teachers College, Bloomsburg
2. C. S. Davis, Superintendent of Schools, Steelton
3. C. E. Dickey, Superintendent, Allegheny County Schools
4. LeRoy A. King, Professor, University of Pennsylvania
5. A. M. Kulp, Superintendent, Montgomery County Schools
6. A. P. Mylin, Superintendent, Lancaster County Schools
7. Philip Boyer, Director of Research, Philadelphia Bd. of Education
8. Honorable Franklin Spencer Edmonds, Philadelphia
9. Honorable Marcus Aaron, President, Pittsburgh Board of Education

Each of the preceding had been sent a copy of the plan and had been asked to discuss it in terms of the following questions:

1. Is the plan sound and practicable in terms of good public school administration?

2. Does the plan provide for a greater equality of educational opportunity in Pennsylvania than exists at present?

3. Is the plan equitable and advisable from the standpoint of the taxpayer and citizen?

4. Is the plan statesmanlike as well as educationally sound?

While it is impossible to summarize the discussion here, the Commission is greatly indebted to these gentlemen for their careful suggestions and comments on the plan. In consequence, some changes were made in the details of the plan.

The work of the Commission, as herein outlined, is presented in detail in the remaining chapters of this report.

CHAPTER II

SUMMARY OF FINDINGS AND RECOMMENDATIONS

Summary of Findings

The State is under a constitutional obligation to provide a reasonably equal and a free education for every boy and girl in the Commonwealth. In order to make it possible for school districts, which are the local agents of the State in the administration of the public schools, to discharge this obligation, the State must have a plan for helping districts finance the public schools which will do two things:

(1) Distribute the burden of financing the public schools equitably

(2) Provide an adequate system of Public education.

The present State system of school subsidies does not equitably distribute the burden of financing the public schools, as the following instances show:

(1) Under the present plan, there are many instances where means are wanting to carry the burden of the State's educational requirements.

(2) In many instances, school districts succeed in offering a fairly satisfactory program of education only with a tax burden far in excess of that which the State is justified under present conditions in requiring.

The present State system of financing public schools does not adequately provide for adequate educational opportunity, as the following instances will show:

(1) High school facilities are not readily available in all areas of the State.

(2) The attendance laws in certain instances permit children to avoid school attendance.

(3) Provision for supervision of instruction is inadequate in a large percentage of rural districts.

(4) Many of the 2600 school districts in the State are too small to provide trained educational leadership.

Summary of Recommendations

In order to set up a system of distributing State subsidies to school districts in such a way as (1) will distribute the cost of financing the public schools equitably and (2) will enable local school districts, as agents of the State, to provide adequate school facilities, the Commission makes the following recommendations:

(1) The Commission recommends that the State adopt a sound and equitable policy of financing its public schools. This policy must recognize that the State is responsible for providing opportunity for every boy and girl to enjoy a reasonable minimum standard of education. The Commission believes that this may be done by defining more adequately a State minimum standard of education representing the responsibility of the State. On the one hand, no district should be permitted to fall below the standard. On the other hand, the State must provide local districts, to which it delegates the administration of the schools, with adequate resources to pay for the minimum educational program and guarantee that the tax burden necessary to meet the cost of such a program shall be equitably distributed among the various school districts.

(2) The Commission recommends further that those school districts having insufficient area or population shall be re-organized, as soon as feasible, so that they shall be able to offer the State's minimum program of education in an efficient manner. This re-organization should comprise

an area and population large enough to make possible the employment of trained educational leadership for the administration of the State's minimum program, and to guide the district in the development of educational offerings over and beyond those required by the State.

(3) The Commission recommends that as soon as it is feasible the General Assembly adopt a plan by which a minimum program, costing for current expenses an amount equivalent to $1500 for each elementary teaching unit and $1800 for each high school teaching unit with a proportional allocation on account of differences in cost of living and of transporting pupils in the various districts, may be guaranteed to each pupil in the State with an equal burden of local taxation. It is recommended that this be brought about, as nearly as feasible, without a decrease of present aid to any district.

(4) The Commission recommends that the General Assembly in 1929 takes as many of these steps as are practicable. The Commission recognizes that the question of revenues and taxation must be taken into consideration.

(5) In order that the minimum program shall be guaranteed in each district participating in the equalization aid thus provided, it is recommended that provision be made for the reduction of State aid to districts failing to meet standards now, or hereafter, defined by or in accordance with the School Code.

(6) Bills embodying the foregoing recommendations are given in Supplement II of this report.

The proposed plan is so drafted as to supplement and correct the operations of the Edmonds Act. Accordingly, increases in the demands of the Edmonds Act will have a tendency to reduce the amounts of increased State aid indicated in the foregoing table. This will occur as the proportion of trained teachers increases and as the increase in number of teachers employed exceeds the increase in school attendance.

It should be understood that, to a large degree, the proposed increases in State aid do not necessarily represent increases in the total amount of local expenditures for education. Excepting where districts are not now expending as much as the minimum program provides, this plan will not result in increased expenditure. It aims, however, to relieve the poorer school districts from excessive and in some instances burdensome local taxation and in return to guarantee to them a satisfactory minimum program of education with larger contributions from the State. In all probability, the relief thus brought to local sources will result in increased educational opportunity in many of these districts. In every instance, however, this increase will be the result of local action. The local district will choose between decreased local taxes and increased educational facilities.

A Flexible Plan for Reaching a $1500 Minimum Program

To facilitate the consideration of this plan by the General Assembly and the public the Commission has had its Staff prepare a financing program meeting the conditions set forth above. The following six steps leading to the $1500-$1800 program and the cost of each are here presented:

Table I* Steps in Reaching a $1500 Minimum Program

Step	Extent of Program Equalized		Additional State Aid Required Annually	
	Elementary	High School Unit	Increase due to this Step (Per Year)	Total Increase over Present (Per Year)
1	$ 925	$1110	$4,646,067	$4,646,067
2	1075	1280	4,667,376	9,313,443
3	1200	1440	4,637,705	13,951,148
4	1300	1560	4,085,516	18,036,664
5	1400	1680	4,572,921	22,609,585
6	1500	1800	4,802,080	27,411,665

The Tables* in supplement III of this report show the effect of each of these steps upon each school district in the State.

*Table____ gives the figures on a unit basis. In this table the districts are arranged according to their local ability to support schools. Table___ gives the total figures. In this table the districts are arranged by counties.